

Rittmer
Darden
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SSB-1012
State Government

Succeeded By
SENATE FILE (SF) HF 2394
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL
BY CHAIRPERSON RITTMER)

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

A BILL FOR

1 An Act relating to the establishment of the Iowa propane
2 education and research council, providing for the development
3 of propane-related programs and projects, providing for the
4 levy of an assessment on odorized propane, and providing
5 penalties.

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

1 Section 1. NEW SECTION. 159B.1 SHORT TITLE.

2 This chapter shall be known as and may be cited as the
3 "Iowa Propane Education and Research Act".

4 Sec. 2. NEW SECTION. 159B.2 DEFINITIONS.

5 As used in this chapter, unless the context otherwise
6 requires:

7 1. "Council" means the Iowa propane education and research
8 council created pursuant to section 159B.3.

9 2. "Education" means any action to provide information
10 regarding propane, propane equipment, mechanical and technical
11 practices, and propane uses to consumers and members of the
12 propane industry.

13 3. "Industry" means those persons involved in the
14 production, transportation, and sale of propane, and the
15 manufacture and distribution of propane utilization equipment.

16 4. "Industry trade association" means an organization
17 exempt from tax under section 501(c)(3) or (6) of the Internal
18 Revenue Code, representing the propane industry.

19 5. "Odorized propane" means propane which has an odorant
20 added to it.

21 6. "Propane" means a hydrocarbon whose chemical
22 composition is predominately C₃H₈, whether recovered from
23 natural gas or crude oil, and includes liquefied petroleum
24 gases and mixtures.

25 7. "Public member" means a member of the council other
26 than representatives of retail marketers representing
27 significant users of propane, public safety officials, state
28 regulatory officials, or other groups knowledgeable about
29 propane.

30 8. "Qualified industry organization" means the Iowa
31 propane gas association or any other similarly constituted
32 industry trade association recognized by the secretary as
33 being representative of the industry.

34 9. "Research" means any type of study, investigation, or
5 other activities designed to advance the image, desirability,

1 usage, marketability, efficiency, and safety of propane and to
2 further the development of information related to such
3 activities.

4 10. "Retail marketer" means a person engaged primarily in
5 the sale of odorized propane to the ultimate consumer or to a
6 retail propane dispenser.

7 11. "Retail propane dispenser" means a person who sells
8 odorized propane to the ultimate consumer but is not engaged
9 primarily in the business of such sales.

10 12. "Secretary" means secretary of agriculture or the
11 secretary's designee.

12 Sec. 3. NEW SECTION. 159B.3 REFERENDUM -- CREATION AND
13 TERMINATION OF AN IOWA PROPANE EDUCATION AND RESEARCH COUNCIL.

14 1. Qualified industry organizations shall conduct at their
15 own expense a referendum among retail marketers for the
16 creation of an Iowa propane education and research council.

17 The council, if created, shall reimburse the qualified
18 industry organizations for the cost of the referendum
19 accounting and documentation. The referendum shall be
20 conducted by an independent auditing firm agreed to by the
21 qualified industry organizations. The results of the
22 referendum, as certified by the independent auditing firm,
23 shall be submitted to the secretary with thirty days of
24 certification. Voting rights in the referendum shall be based
25 on the volume of odorized propane sold in this state by retail
26 marketers in the previous calendar year. All persons voting
27 in the referendum shall certify to the independent auditing
28 firm the volume of propane represented by their vote. Upon
29 approval of those persons representing two-thirds of the total
30 volume of propane voted, the council shall be established, and
31 shall be authorized to levy an assessment on odorized propane
32 in accordance with section 159B.5.

33 2. On the council's own initiative, or on petition to the
34 council by retail marketers representing thirty-five percent
35 of the volume of propane sold in this state, the council

1 shall, at its own expense, hold a referendum to be conducted
2 by an independent auditing firm selected by the council in the
3 same manner as described in subsection 1, to determine whether
4 the industry favors termination or suspension of the council.
5 Termination or suspension shall not take effect unless it is
6 approved by persons representing more than one-half of the
7 total volume of odorized propane sold in this state by retail
8 marketers.

9 Sec. 4. NEW SECTION. 159B.4 IOWA PROPANE EDUCATION AND
10 RESEARCH COUNCIL.

11 1. The council shall consist of seven members, five of
12 whom shall represent retail marketers and two of whom shall be
13 public members. The qualified industry organizations together
14 shall select all members of the council. A vacancy in the
15 unfinished term of a council member shall be filled for the
16 unfinished term in the same manner as the original appointment
17 was made. Other than the public members, council members
18 shall be full-time employees or owners of a propane industry
19 business or representatives of an agricultural cooperative.
20 An employee of a qualified industry organization shall not
21 serve as a member of the council and a member of the council
22 shall not serve concurrently as an officer of the board of
23 directors of a qualified industry organization or other
24 industry trade association. The secretary may serve as an ex
25 officio, nonvoting member of the council.

26 2. In selecting members of the council, the qualified
27 industry organizations shall give due regard to selecting
28 council members that are representative of the industry,
29 including representation of all of the following:

30 a. Interstate and intrastate operators among retail
31 marketers.

32 b. Large and small companies among retail marketers,
33 including agricultural cooperatives.

34 c. Diverse geographic regions of the state.

35 3. A council member, other than a public member, shall not

1 receive compensation for the council member's service, and
2 shall not be reimbursed for expenses relating to the council
3 member's service. A public member shall receive a per diem as
4 specified in section 7E.6 and actual expenses in performing
5 official council functions not to exceed forty days per year.
6 A member of the council shall not be a salaried employee of
7 the council or any organization or agency which is receiving
8 funds from the council.

9 4. A council member shall serve a term of three years and
10 shall not serve more than two full consecutive terms. A
11 council member filling an unexpired term may serve not more
12 than a total of seven consecutive years. A former council
13 member may be returned to the council if the former member has
14 not been a member for a period of two years. Initial
15 appointments to the council shall be for terms of one, two,
16 and three years, staggered to provide for the selection of at
17 least two members each year. The council shall notify the
18 secretary of the name, address, and propane-related
19 affiliation, if any, of a council member within thirty days
20 after the appointment of the member to the council.

21 5. The council shall develop programs and projects and
22 enter into agreements for administering programs and projects
23 under this chapter, including programs to enhance consumer and
24 employee safety and training, to provide for research and
25 development of clean and efficient propane utilization
26 equipment, to inform and educate the public about safety and
27 other issues associated with the use of propane, and to
28 provide for the payment of the costs with funds collected
29 pursuant to this chapter. The council shall coordinate its
30 programs and projects with industry trade associations and
31 others as appropriate to provide efficient delivery of
32 services and to avoid unnecessary duplication of activities.

33 6. Issues related to research and development, safety,
34 education, and training shall be given priority by the council
35 in the development of programs and projects.

1 7. The council shall select a chairperson and other
2 officers as necessary from among the members of the council,
3 may establish committees and subcommittees of the council, and
4 shall adopt rules and bylaws for the conduct of business and
5 the implementation of this chapter. The council shall
6 establish procedures for the solicitation of industry comment
7 and recommendations on any significant plans, programs, and
8 projects to be funded by the council. The council may
9 establish advisory committees of persons other than council
10 members.

11 8. At the beginning of each fiscal period, the council
12 shall prepare a budget plan for the next fiscal period,
13 including the probable cost of all programs, projects, and
14 contracts and a recommended rate of assessment sufficient to
15 cover such costs. The council shall submit the proposed
16 budget to the secretary for review and comment. The secretary
17 may recommend programs, projects, and activities considered
18 appropriate.

19 9. The council shall keep minutes, books, and records that
20 clearly reflect all of the acts and transactions of the
21 council and make public such information. The books of the
22 council shall be audited by a certified public accountant at
23 least once each fiscal year and at such other times as the
24 council may designate. The expense of the audit shall be the
25 responsibility of the council. Copies of the audit shall be
26 provided to all members of the council, all qualified industry
27 organizations, and to other members of the industry upon
28 request.

29 Sec. 5. NEW SECTION. 159B.5 ASSESSMENTS.

30 1. The council shall set the initial assessment at a rate
31 not greater than one-tenth of one cent per gallon of odorized
32 propane. Thereafter, the council shall set the annual
33 assessment at an amount sufficient to cover the cost of
34 programs and projects developed by the council. The
5 assessment shall not be greater than a rate of one-half cent

1 per gallon of odorized propane, unless approved by a majority
2 of those voting in a referendum conducted by an independent
3 auditing firm selected by the council in the same manner as
4 described in section 159B.3, subsection 1. In no case may the
5 assessment be raised by more than one-tenth of one cent per
6 gallon of odorized propane annually.

7 2. An owner of odorized propane at the time of odorization
8 or at the time of import of odorized propane shall make the
9 assessment based on the volume of odorized propane sold for
10 use in this state. The assessment, when made, shall be listed
11 as a separate line item on the bill labeled "Iowa propane
12 education and research assessment". An assessment collected
13 by an owner from a purchaser of propane is payable to the
14 council on a monthly basis by the twenty-fifth day of the
15 month following the month of collection. If payment is not
16 made to the council by the due date under this subsection, an
17 interest penalty of one percent of any amount unpaid shall be
18 assessed against the owner for each month or fraction of a
19 month after the due date, until final payment is made.

20 3. The council may establish an alternative means of
21 collecting the assessment if another means is found to be more
22 efficient and effective. The council may establish a late
23 payment charge and rate of interest to be imposed on a person
24 who fails to remit or pay the council any amount due under
25 this chapter.

26 4. Pending disbursement pursuant to a program or project,
27 the council shall invest moneys collected through assessments,
28 and any other moneys received by the council, in any of the
29 following only:

30 a. Obligations of the United States or any agency of the
31 United States.

32 b. General obligations of any state or political
33 subdivision of any state.

34 c. Any interest-bearing account or certificate of deposit
5 of a bank that is a member of the federal reserve system.

1 d. Obligations fully guaranteed as to principal and
2 interest by the United States.

3 Sec. 6. NEW SECTION. 159B.6 COMPLIANCE.

4 The district court is vested with the jurisdiction
5 specifically to enforce this chapter and prevent or restrain
6 any person from violating this chapter. A successful action
7 for compliance under this section may also require payment by
8 the defendant of the costs incurred by the council in bringing
9 the action.

10 Sec. 7. NEW SECTION. 159B.7 LOBBYING RESTRICTIONS.

11 Moneys collected by the council shall not be used in any
12 manner for influencing legislation or elections, except that
13 the council may recommend to the secretary changes in this
14 chapter or other statutes that would further the purpose of
15 this chapter.

16 Sec. 8. NEW SECTION. 159B.8 PRICING.

17 In all cases, the price of propane shall be determined by
3 market forces. Consistent with antitrust laws, the council
19 shall not take any action and this chapter shall not be
20 interpreted as establishing an agreement to pass along to
21 consumers the cost of the assessment provided for in section
22 159B.5.

23 Sec. 9. NEW SECTION. 159B.9 RELATION TO OTHER PROGRAMS.

24 This chapter shall not be construed to preempt or supersede
25 any other program relating to propane education and research
26 organized and operated under the laws of this state. This
27 chapter shall be administered and construed as complimentary
28 to the federal Propane Education and Research Act of 1996, 15
29 U.S.C. § 6401 et seq.

30 Sec. 10. NEW SECTION. 159B.10 BOND.

31 Any person occupying a position of trust under any
32 provision of this chapter shall provide a bond in an amount
33 required by the council. The premium for the bond shall be
34 paid out of council funds.

5 Sec. 11. NEW SECTION. 159B.11 REPORT.

1 Each year the council shall prepare and submit a report
2 summarizing the activities of the council under this chapter
3 to the secretary and the auditor of state. The report shall
4 show all income, expenses, and other relevant information
5 concerning assessments collected and expended under this
6 chapter.

7 Sec. 12. NEW SECTION. 159B.12 NOT A STATE AGENCY.

8 The Iowa propane education and research council, if
9 created, is not a state agency.

10 Sec. 13. NEW SECTION. 159B.13 PENALTY.

11 A person who willfully violates this chapter or willfully
12 renders or furnishes a false or fraudulent report, statement,
13 or record required by the secretary pursuant to this chapter
14 commits a simple misdemeanor.

15 EXPLANATION

16 This bill allows for the creation of the Iowa propane
17 education and research council. The bill provides that the
18 council is created only after approval in a referendum.
19 Approval by persons representing two-thirds of the total
20 volume of odorized propane sold in this state in the previous
21 year is required for approval. The referendum shall be
22 conducted by qualified industry organizations which are
23 defined as the Iowa propane gas association or similar
24 organizations representing the industry. On the council's own
25 initiative or on petition by retail marketers of propane, a
26 referendum may be conducted to determine whether the council
27 should be suspended or terminated. Approval by persons
28 representing one-half of the total volume of odorized propane
29 is required for approval of suspension or termination of the
30 council.

31 The bill provides that the council shall consist of seven
32 members selected by the qualified industry organizations with
33 five members representing retail marketers and two public
34 members. The secretary of agriculture shall serve as an ex
35 officio, nonvoting member. The bill provides that the members

1 shall serve three-year terms and shall not serve more than two
2 full consecutive terms. A former member may serve on the
3 council if the former member has not been a member for a
4 period of two years. The bill provides that public members on
5 the council shall receive a per diem and actual expenses in
6 performing official council functions.

7 The bill provides that the council shall develop programs
8 and projects relating to the enhancement of consumer and
9 employee safety and training, research and development of
10 clean and efficient propane equipment, and education of the
11 public regarding propane safety and other issues associated
12 with the use of propane. The bill provides that the council
13 may enter into agreements to administer the programs and
14 projects. The bill provides for council recordkeeping
15 requirements, auditing requirements, and reporting
16 requirements.

17 The bill provides that the council is authorized to levy an
18 assessment on odorized propane. The bill provides that moneys
19 collected through the assessments shall be used on council
20 programs and projects.

21 The bill provides that the district court has jurisdiction
22 for enforcement of the chapter. Moneys collected by the
23 council shall not be used for lobbying. The bill provides
24 that the assessments shall not be construed to be costs to be
25 passed on to the consumers. The bill provides that the
26 council is not a state agency and that a bond is required for
27 any person occupying a position of trust under the chapter.
28 The bill provides that it is a simple misdemeanor for a person
29 to violate any provision of the chapter.

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3/20/00 Referred back to State House

FILED FEB 28 '00

SENATE FILE 2394
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 1012)

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

A BILL FOR

1 An Act relating to the establishment of the Iowa propane
2 education and research council, providing for the development
3 of propane-related programs and projects, providing for the
4 levy of an assessment on odorized propane, and providing
5 penalties.

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

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SF 2394

1 Section 1. NEW SECTION. 159B.1 SHORT TITLE.

2 This chapter shall be known as and may be cited as the
3 "Iowa Propane Education and Research Act".

4 Sec. 2. NEW SECTION. 159B.2 DEFINITIONS.

5 As used in this chapter, unless the context otherwise
6 requires:

7 1. "Council" means the Iowa propane education and research
8 council created pursuant to section 159B.3.

9 2. "Education" means any action to provide information
10 regarding propane, propane equipment, mechanical and technical
11 practices, and propane uses to consumers and members of the
12 propane industry.

13 3. "Industry" means those persons involved in the
14 production, transportation, and sale of propane, and the
15 manufacture and distribution of propane utilization equipment.

16 4. "Industry trade association" means an organization
17 exempt from tax under section 501(c)(3) or (6) of the Internal
18 Revenue Code, representing the propane industry.

19 5. "Odorized propane" means propane which has an odorant
20 added to it.

21 6. "Propane" means a hydrocarbon whose chemical
22 composition is predominately C₃H₈, whether recovered from
23 natural gas or crude oil, and includes liquefied petroleum
24 gases and mixtures.

25 7. "Public member" means a member of the council other
26 than representatives of retail marketers representing
27 significant users of propane, public safety officials, state
28 regulatory officials, or other groups knowledgeable about
29 propane.

30 8. "Qualified industry organization" means the Iowa
31 propane gas association or any other similarly constituted
32 industry trade association recognized by the secretary as
33 being representative of the industry.

34 9. "Research" means any type of study, investigation, or
35 other activities designed to advance the image, desirability,

1 usage, marketability, efficiency, and safety of propane and to
2 further the development of information related to such
3 activities.

4 10. "Retail marketer" means a person engaged primarily in
5 the sale of odorized propane to the ultimate consumer or to a
6 retail propane dispenser.

7 11. "Retail propane dispenser" means a person who sells
8 odorized propane to the ultimate consumer but is not engaged
9 primarily in the business of such sales.

10 12. "Secretary" means secretary of agriculture or the
11 secretary's designee.

12 Sec. 3. NEW SECTION. 159B.3 REFERENDUM -- CREATION AND
13 TERMINATION OF AN IOWA PROPANE EDUCATION AND RESEARCH COUNCIL.

14 1. Qualified industry organizations shall conduct at their
15 own expense a referendum among retail marketers for the
16 creation of an Iowa propane education and research council.

17 The council, if created, shall reimburse the qualified
18 industry organizations for the cost of the referendum
19 accounting and documentation. The referendum shall be
20 conducted by an independent auditing firm agreed to by the
21 qualified industry organizations. The results of the
22 referendum, as certified by the independent auditing firm,
23 shall be submitted to the secretary with thirty days of
24 certification. Voting rights in the referendum shall be based
25 on the volume of odorized propane sold in this state by retail
26 marketers in the previous calendar year. All persons voting
27 in the referendum shall certify to the independent auditing
28 firm the volume of propane represented by their vote. Upon
29 approval of those persons representing two-thirds of the total
30 volume of propane voted, the council shall be established, and
31 shall be authorized to levy an assessment on odorized propane
32 in accordance with section 159B.5.

33 2. On the council's own initiative, or on petition to the
34 council by retail marketers representing thirty-five percent
35 of the volume of propane sold in this state, the council

1 shall, at its own expense, hold a referendum to be conducted
2 by an independent auditing firm selected by the council in the
3 same manner as described in subsection 1, to determine whether
4 the industry favors termination or suspension of the council.
5 Termination or suspension shall not take effect unless it is
6 approved by persons representing more than one-half of the
7 total volume of odorized propane sold in this state by retail
8 marketers.

9 Sec. 4. NEW SECTION. 159B.4 IOWA PROPANE EDUCATION AND
10 RESEARCH COUNCIL.

11 1. The council shall consist of seven members, five of
12 whom shall represent retail marketers and two of whom shall be
13 public members. The qualified industry organizations together
14 shall select all members of the council. A vacancy in the
15 unfinished term of a council member shall be filled for the
16 unfinished term in the same manner as the original appointment
17 was made. Other than the public members, council members
18 shall be full-time employees or owners of a propane industry
19 business or representatives of an agricultural cooperative.
20 An employee of a qualified industry organization shall not
21 serve as a member of the council and a member of the council
22 shall not serve concurrently as an officer of the board of
23 directors of a qualified industry organization or other
24 industry trade association. The secretary may serve as an ex
25 officio, nonvoting member of the council.

26 2. In selecting members of the council, the qualified
27 industry organizations shall give due regard to selecting
28 council members that are representative of the industry,
29 including representation of all of the following:

30 a. Interstate and intrastate operators among retail
31 marketers.

32 b. Large and small companies among retail marketers,
33 including agricultural cooperatives.

34 c. Diverse geographic regions of the state.

35 3. A council member, other than a public member, shall not

1 receive compensation for the council member's service, and
2 shall not be reimbursed for expenses relating to the council
3 member's service. A public member shall receive a per diem as
4 specified in section 7E.6 and actual expenses in performing
5 official council functions not to exceed forty days per year.
6 A member of the council shall not be a salaried employee of
7 the council or any organization or agency which is receiving
8 funds from the council.

9 4. A council member shall serve a term of three years and
10 shall not serve more than two full consecutive terms. A
11 council member filling an unexpired term may serve not more
12 than a total of seven consecutive years. A former council
13 member may be returned to the council if the former member has
14 not been a member for a period of two years. Initial
15 appointments to the council shall be for terms of one, two,
16 and three years, staggered to provide for the selection of at
17 least two members each year. The council shall notify the
18 secretary of the name, address, and propane-related
19 affiliation, if any, of a council member within thirty days
20 after the appointment of the member to the council.

21 5. The council shall develop programs and projects and
22 enter into agreements for administering programs and projects
23 under this chapter, including programs to enhance consumer and
24 employee safety and training, to provide for research and
25 development of clean and efficient propane utilization
26 equipment, to inform and educate the public about safety and
27 other issues associated with the use of propane, and to
28 provide for the payment of the costs with funds collected
29 pursuant to this chapter. The council shall coordinate its
30 programs and projects with industry trade associations and
31 others as appropriate to provide efficient delivery of
32 services and to avoid unnecessary duplication of activities.

33 6. Issues related to research and development, safety,
34 education, and training shall be given priority by the council
35 in the development of programs and projects.

1 7. The council shall select a chairperson and other
2 officers as necessary from among the members of the council,
3 may establish committees and subcommittees of the council, and
4 shall adopt rules and bylaws for the conduct of business and
5 the implementation of this chapter. The council shall
6 establish procedures for the solicitation of industry comment
7 and recommendations on any significant plans, programs, and
8 projects to be funded by the council. The council may
9 establish advisory committees of persons other than council
10 members.

11 8. At the beginning of each fiscal period, the council
12 shall prepare a budget plan for the next fiscal period,
13 including the probable cost of all programs, projects, and
14 contracts and a recommended rate of assessment sufficient to
15 cover such costs. The council shall submit the proposed
16 budget to the secretary for review and comment. The secretary
17 may recommend programs, projects, and activities considered
18 appropriate.

19 9. The council shall keep minutes, books, and records that
20 clearly reflect all of the acts and transactions of the
21 council and make public such information. The books of the
22 council shall be audited by a certified public accountant at
23 least once each fiscal year and at such other times as the
24 council may designate. The expense of the audit shall be the
25 responsibility of the council. Copies of the audit shall be
26 provided to all members of the council, all qualified industry
27 organizations, and to other members of the industry upon
28 request.

29 Sec. 5. NEW SECTION. 159B.5 ASSESSMENTS.

30 1. The council shall set the assessment at a rate of one-
31 tenth of one cent per gallon of odorized propane.

32 2. An owner of odorized propane at the time of odorization
33 or at the time of import of odorized propane shall make the
34 assessment based on the volume of odorized propane sold for
35 use in this state. The assessment, when made, shall be listed

1 as a separate line item on the bill labeled "Iowa propane
2 education and research assessment". An assessment collected
3 by an owner from a purchaser of propane is payable to the
4 council on a monthly basis by the twenty-fifth day of the
5 month following the month of collection. If payment is not
6 made to the council by the due date under this subsection, an
7 interest penalty of one percent of any amount unpaid shall be
8 assessed against the owner for each month or fraction of a
9 month after the due date, until final payment is made.

10 3. The council may establish an alternative means of
11 collecting the assessment if another means is found to be more
12 efficient and effective. The council may establish a late
13 payment charge and rate of interest to be imposed on a person
14 who fails to remit or pay the council any amount due under
15 this chapter.

16 4. Pending disbursement pursuant to a program or project,
17 the council shall invest moneys collected through assessments,
18 and any other moneys received by the council, in any of the
19 following only:

20 a. Obligations of the United States or any agency of the
21 United States.

22 b. General obligations of any state or political
23 subdivision of any state.

24 c. Any interest-bearing account or certificate of deposit
25 of a bank that is a member of the federal reserve system.

26 d. Obligations fully guaranteed as to principal and
27 interest by the United States.

28 Sec. 6. NEW SECTION. 159B.6 COMPLIANCE.

29 The district court is vested with the jurisdiction
30 specifically to enforce this chapter and prevent or restrain
31 any person from violating this chapter. A successful action
32 for compliance under this section may also require payment by
33 the defendant of the costs incurred by the council in bringing
34 the action.

35 Sec. 7. NEW SECTION. 159B.7 LOBBYING RESTRICTIONS.

1 Moneys collected by the council shall not be used in any
2 manner for influencing legislation or elections, except that
3 the council may recommend to the secretary changes in this
4 chapter or other statutes that would further the purpose of
5 this chapter.

6 Sec. 8. NEW SECTION. 159B.8 PRICING.

7 In all cases, the price of propane shall be determined by
8 market forces. Consistent with antitrust laws, the council
9 shall not take any action and this chapter shall not be
10 interpreted as establishing an agreement to pass along to
11 consumers the cost of the assessment provided for in section
12 159B.5.

13 Sec. 9. NEW SECTION. 159B.9 RELATION TO OTHER PROGRAMS.

14 This chapter shall not be construed to preempt or supersede
15 any other program relating to propane education and research
16 organized and operated under the laws of this state. This
17 chapter shall be administered and construed as complimentary
18 to the federal Propane Education and Research Act of 1996, 15
19 U.S.C. § 6401 et seq.

20 Sec. 10. NEW SECTION. 159B.10 BOND.

21 Any person occupying a position of trust under any
22 provision of this chapter shall provide a bond in an amount
23 required by the council. The premium for the bond shall be
24 paid out of council funds.

25 Sec. 11. NEW SECTION. 159B.11 REPORT.

26 Each year the council shall prepare and submit a report
27 summarizing the activities of the council under this chapter
28 to the secretary and the auditor of state. The report shall
29 show all income, expenses, and other relevant information
30 concerning assessments collected and expended under this
31 chapter.

32 Sec. 12. NEW SECTION. 159B.12 NOT A STATE AGENCY.

33 The Iowa propane education and research council, if
34 created, is not a state agency.

35 Sec. 13. NEW SECTION. 159B.13 PENALTY.

1 A person who willfully violates this chapter or willfully
2 renders or furnishes a false or fraudulent report, statement,
3 or record required by the secretary pursuant to this chapter
4 commits a simple misdemeanor.

5 Sec. 14. NEW SECTION. 159B.14 REPEAL.

6 This chapter is repealed June 30, 2005.

7 EXPLANATION

8 This bill allows for the creation of the Iowa propane
9 education and research council. The bill provides that the
10 council is created only after approval in a referendum.
11 Approval by persons representing two-thirds of the total
12 volume of odorized propane sold in this state in the previous
13 year is required for approval. The referendum shall be
14 conducted by qualified industry organizations which are
15 defined as the Iowa propane gas association or similar
16 organizations representing the industry. On the council's own
17 initiative or on petition by retail marketers of propane, a
18 referendum may be conducted to determine whether the council
19 should be suspended or terminated. Approval by persons
20 representing one-half of the total volume of odorized propane
21 is required for approval of suspension or termination of the
22 council.

23 The bill provides that the council shall consist of seven
24 members selected by the qualified industry organizations with
25 five members representing retail marketers and two public
26 members. The secretary of agriculture shall serve as an ex
27 officio, nonvoting member. The bill provides that the members
28 shall serve three-year terms and shall not serve more than two
29 full consecutive terms. A former member may serve on the
30 council if the former member has not been a member for a
31 period of two years. The bill provides that public members on
32 the council shall receive a per diem and actual expenses in
33 performing official council functions.

34 The bill provides that the council shall develop programs
35 and projects relating to the enhancement of consumer and

1 employee safety and training, research and development of
2 clean and efficient propane equipment, and education of the
3 public regarding propane safety and other issues associated
4 with the use of propane. The bill provides that the council
5 may enter into agreements to administer the programs and
6 projects. The bill provides for council recordkeeping
7 requirements, auditing requirements, and reporting
8 requirements.

9 The bill provides that the council is authorized to levy an
10 assessment on odorized propane. The bill provides that moneys
11 collected through the assessments shall be used on council
12 programs and projects.

13 The bill provides that the district court has jurisdiction
14 for enforcement of the chapter. Moneys collected by the
15 council shall not be used for lobbying. The bill provides
16 that the assessments shall not be construed to be costs to be
17 passed on to the consumers. The bill provides that the
18 council is not a state agency and that a bond is required for
19 any person occupying a position of trust under the chapter.
20 The bill provides that it is a simple misdemeanor for a person
21 to violate any provision of the chapter.

22 The bill provides that new Code chapter 159B is repealed
23 June 30, 2005.

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