HOUSE FILE 2381

BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 618)

A BILL FOR

1 An Act relating to the assessment of moneys on sheep and wool
2   production, and including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 182.1, subsection 5, Code 2011, is
2 amended by striking the subsection.
3 Sec. 2. Section 182.1, Code 2011, is amended by adding the
4 following new subsection:
5 NEW SUBSECTION. 8A. *"Secretary"* means the secretary of
6 agriculture.
7 Sec. 3. NEW SECTION. **182.13B Assessment rate.**
8 1. If a majority of voters at a referendum conducted
9 pursuant to section 182.4 approve the establishment of an
10 Iowa sheep and wool promotion board and the imposition of an
11 assessment, the assessment shall be imposed on wool and sheep
12 at the following rates:
13 *a.* For wool, two cents imposed on each pound of wool sold
14 by a producer.
15 *b.* For sheep, ten cents imposed on each head of sheep sold
16 by a producer.
17 2. Notwithstanding subsection 1, upon a resolution adopted
18 by the board, the secretary shall call a special referendum for
19 voters to authorize increasing the assessment rate imposed on
20 sheep as provided in this subsection and subsection 3.
21 *a.* The special referendum shall be conducted in the same
22 manner as a referendum conducted upon receipt of a petition
23 as provided in this chapter, unless otherwise provided in the
24 board's resolution. Only producers are eligible to vote in an
25 election and each producer is entitled to one vote.
26 *b.* If a majority of voters authorize increasing the
27 assessment rate, the assessment rate shall be twenty-five cents
28 imposed on each head of sheep. If a majority of voters do not
29 authorize increasing the assessment rate, the assessment rate
30 shall be the same as provided in subsection 1.
31 3. If a majority of voters authorize increasing the
32 assessment rate imposed on sheep as provided in subsection
33 2, the assessment rate imposed on each head of sheep may be
34 increased pursuant to a resolution adopted by the board. The
35 board shall comply with all of the following:

1 *a.* The board must wait three or more years from the
2 effective date of the previous increase in order to adopt such
3 a resolution. For the first increase, the effective date is
4 the date that the voters authorized increasing the assessment
5 rate pursuant to subsection 1. For any subsequent increase,
6 the effective date is the date that the board last adopted
7 a resolution imposing an increased rate as provided in this
8 subsection.

9 *b.* The board shall not adopt a resolution until it provides
10 notice to producers of the proposed increase and an opportunity
11 for producers to submit written or oral comments to the board
12 regarding the proposed increase. The board may provide notice
13 by publication in the same manner as provided in section
14 182.3, publication on its internet site, mail bearing a United
15 States postal service postmark, electronic transmission, or
16 hand-delivery.

17 *c.* The increase in the assessment rate imposed by a
18 resolution of the board must equal five cents. However, the
19 assessment rate imposed by a resolution of the board shall not
20 equal more than fifty cents.

21 Sec. 4. Section 182.14, subsection 1, Code 2011, is amended
22 by striking the subsection.

23 Sec. 5. Section 182.14, subsection 2, unnumbered paragraph
24 1, Code 2011, is amended to read as follows:

25 ~~The~~ An assessment provided in this chapter shall be imposed
26 on the producer as follows:

27 Sec. 6. EFFECT OF ACT. The establishment of the Iowa
28 sheep and wool promotion board and the assessment on the sale
29 of sheep or wool, as established in a referendum conducted
30 pursuant to section 182.4, and in effect immediately prior
31 to the effective date of this Act, is not affected by the
32 enactment of section 182.13B, subsection 1, or the repeal of
33 section 182.14, subsection 1, as provided in this Act.

34 Sec. 7. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
35 immediate importance, takes effect upon enactment.

1 EXPLANATION

2 Current law provides for an assessment (a so-called
3 checkoff) on the sale of sheep and wool to first purchasers.
4 The assessment is ultimately expended by the Iowa sheep and
5 wool promotion board for purposes of promoting the marketing
6 of sheep and wool and to provide for related education and
7 research programs. The board operates and the checkoff is
8 imposed pursuant to a referendum approved by sheep and wool
9 producers.

10 This bill authorizes the board to conduct a special
11 referendum to increase the checkoff rate for each head of
12 sheep from 10 cents to 25 cents, and to authorize the board
13 to increase the rate in the future by board resolution. The
14 bill requires that the special referendum be conducted in the
15 same manner as the referendum establishing the board and first
16 imposing the assessment rate, unless the board's resolution
17 provides otherwise. However, the resolution cannot alter two
18 provisions; only producers are eligible to vote in an election
19 and each producer is entitled to one vote. The bill places a
20 number of conditions upon the board's resolution to further
21 increase the rate. First, it must wait three or more years
22 from the effective date of the previous increase in order to
23 adopt such a resolution. Second, it must provide notice to and
24 an opportunity for comment by producers. Third, the increased
25 rate must equal 5 cents. Finally, the board cannot increase
26 the rate to more than 50 cents per head of sheep.

27 The bill provides that the result of moving and rewriting
28 a provision that imposes the current assessment rate does
29 not affect the prior establishment of the board or the prior
30 imposition of that rate as established by referendum.

31 The bill takes effect upon enactment.