

House File 481 - Introduced

HOUSE FILE 481
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 149)

A BILL FOR

1 An Act relating to reimbursement for state audits of certain
2 commodity organizations, and including effective date
3 provisions.

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

1 Section 1. Section 182.18, subsection 1, Code 2011, is
2 amended to read as follows:

3 1. Moneys collected under this chapter are subject to audit
4 by the auditor of state and shall be used by the Iowa sheep and
5 wool promotion board first for the payment of collection and
6 refund expenses, second for payment of the costs and expenses
7 arising in connection with conducting referendums, and third
8 for the purposes identified in section 182.11, ~~and fourth for~~
9 ~~the cost of audits for the auditor of state.~~ Moneys of the
10 board remaining after a referendum is held at which a majority
11 of the voters favor termination of the board and the assessment
12 shall continue to be expended in accordance with this chapter
13 until exhausted. ~~The auditor of state may seek reimbursement~~
14 ~~for the cost of the audit.~~

15 Sec. 2. Section 184.14, subsection 2, Code 2011, is amended
16 to read as follows:

17 2. Moneys collected, deposited in the fund, and transferred
18 to the council as provided in this chapter are subject to
19 audit by the auditor of state. ~~The auditor of state may~~
20 ~~seek reimbursement for the cost of the audit.~~ The moneys
21 transferred to the council shall be used by the council first
22 for the payment of collection expenses, second for payment of
23 the costs and expenses arising in connection with conducting
24 referendums, and third to perform the functions and carry out
25 the duties of the council as provided in this chapter, ~~and~~
26 ~~fourth for the cost of audits by the auditor of state.~~ Moneys
27 remaining after the council is abolished and the imposition of
28 an assessment is terminated pursuant to a referendum conducted
29 pursuant to section 184.5 shall continue to be expended in
30 accordance with this chapter until exhausted.

31 Sec. 3. Section 184A.6, subsection 2, Code 2011, is amended
32 to read as follows:

33 2. The council shall expend moneys from the account first
34 for the payment of expenses for the collection of assessments,
35 second and then for the payment of expenses related to

1 conducting a referendum as provided in section 184A.12,
2 ~~and third for the cost of audits by the auditor of state as~~
3 ~~required in section 184A.9.~~ The council shall expend remaining
4 moneys for market development, producer education, and the
5 payment of refunds to producers as provided in this chapter.

6 Sec. 4. Section 184A.9, Code 2011, is amended to read as
7 follows:

8 **184A.9 Audit.**

9 Moneys required to be deposited in the turkey council
10 account as provided in section 184A.4 shall be subject to
11 audit by the auditor of state. ~~The auditor of state may seek~~
12 ~~reimbursement for the cost of the audit from moneys deposited~~
13 ~~in the turkey council account.~~

14 Sec. 5. Section 185C.26, Code 2011, is amended to read as
15 follows:

16 **185C.26 Deposit of moneys — corn promotion fund.**

17 A state assessment collected by the board from a sale of corn
18 shall be deposited in the office of the treasurer of state in
19 a special fund known as the corn promotion fund. The fund may
20 include any gifts, rents, royalties, interest, license fees,
21 or a federal or state grant received by the board. Moneys
22 collected, deposited in the fund, and transferred to the board
23 as provided in this chapter shall be subject to audit by the
24 auditor of state. ~~The auditor of state may seek reimbursement~~
25 ~~for the cost of the audit from moneys deposited in the fund as~~
26 ~~provided in this chapter.~~ The department of administrative
27 services shall transfer moneys from the fund to the board
28 for deposit into an account established by the board in a
29 qualified financial institution. The department shall transfer
30 the moneys as provided in a resolution adopted by the board.
31 However, the department is only required to transfer moneys
32 once during each day and only during hours when the offices of
33 the state are open. From moneys collected, the board shall
34 first pay all the direct and indirect costs incurred by the
35 secretary and the costs of referendums, elections, and other

1 expenses incurred in the administration of this chapter, before
2 moneys may be expended for the purpose of carrying out the
3 purposes of this chapter as provided in section 185C.11.

4 Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
5 immediate importance, takes effect upon enactment.

6 EXPLANATION

7 This bill relates to four commodity organizations
8 representing producers of sheep (and wool), eggs, turkeys,
9 and corn. The marketing, research, and promotional purposes
10 of these organizations are financed by an excise tax or state
11 assessment (commonly referred to as a checkoff) imposed upon
12 the first purchasers of the commodities. Moneys derived from
13 each checkoff are controlled by the governing body of each
14 organization, including the Iowa sheep and wool promotion
15 board, the Iowa egg council, the Iowa turkey marketing council,
16 and the Iowa corn promotion board. In each case, the collected
17 moneys are subject to audit by the auditor of state. In 2010,
18 the general assembly enacted S.F. 2367 (2010 Iowa Acts, ch.
19 1189) which amended a number of sections referring to those
20 audits, by authorizing the auditor of state to be reimbursed
21 from the organizations for the cost of the audits. This
22 bill eliminates the changes made in S.F. 2367 and restores
23 the sections to the language as it existed prior to that
24 legislation.

25 The bill takes effect upon enactment.