

**Senate File 310 - Introduced**

SENATE FILE 310  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SSB 1083)

**A BILL FOR**

1 An Act relating to the corn promotion board by providing for  
2 its governance, providing for an assessed checkoff on corn,  
3 and including effective date provisions.

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

1 Section 1. Section 185C.1, Code 2013, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 4A. "*Director*" means a district elected  
4 director or a board elected director as provided in section  
5 185C.6.

6 Sec. 2. Section 185C.1, subsection 5, Code 2013, is amended  
7 to read as follows:

8 5. "*District*" means an official crop reporting district  
9 formed by the United States department of agriculture for use  
10 on January 1, 2013, and set out in the annual farm census  
11 published in that year by the Iowa department of agriculture  
12 and land stewardship.

13 Sec. 3. Section 185C.3, Code 2013, is amended to read as  
14 follows:

15 **185C.3 Establishment of corn promotion board.**

16 If a majority of the producers voting in the referendum  
17 election approve the passage of the promotional order, an Iowa  
18 corn promotion board shall be established. ~~The board shall~~  
19 ~~consist of one director elected from each district in the~~  
20 ~~state, except that a district producing more than an average~~  
21 ~~of one hundred million bushels of corn in the three previous~~  
22 ~~marketing years is entitled to two directors.~~

23 Sec. 4. Section 185C.6, Code 2013, is amended by striking  
24 the section and inserting in lieu thereof the following:

25 **185C.6 Number and election of directors.**

26 The Iowa corn promotion board established pursuant to  
27 section 185C.3 shall be composed of directors elected as  
28 provided in this chapter. The directors shall include all of  
29 the following:

30 1. Nine district elected directors. Each such director  
31 shall be elected from a district as provided in section 185C.5,  
32 this section, and sections 185C.7 and 185C.8. A candidate  
33 receiving the highest number of votes in each district shall be  
34 elected to represent that district.

35 2. Three board elected directors. Each such director shall

1 be elected by the board. The candidate receiving the highest  
2 number of votes by the board shall be elected to represent the  
3 state on at-large basis.

4 Sec. 5. Section 185C.7, Code 2013, is amended to read as  
5 follows:

6 **185C.7 Terms of directors.**

7 1. Director terms A director's term of office shall be for  
8 three years ~~and no.~~ A district elected director of the board  
9 shall not serve for more than three complete consecutive terms.  
10 A board elected director shall not serve for more than one  
11 complete term of office. A district elected director who is  
12 elected as board elected director shall not serve more than a  
13 total of four terms of office, regardless of whether any of the  
14 terms of office are complete or consecutive.

15 2. If the board is reconstituted pursuant to section 185C.8,  
16 the terms of the directors shall be controlled by this section.  
17 However, the initial terms of the reconstituted board shall  
18 be staggered. To the extent practicable, one-third of the  
19 elected directors shall serve an initial term of one year,  
20 one-third of the elected directors shall serve an initial term  
21 of two years, and one-third of the elected directors shall  
22 serve an initial term of three years. The initial terms of  
23 board elected directors shall be determined by board members  
24 directors drawing lots. ~~The board elected under this paragraph~~  
25 ~~shall not contain two directors from the same district serving~~  
26 ~~the same term.~~

27 Sec. 6. Section 185C.8, Code 2013, is amended to read as  
28 follows:

29 **185C.8 Elections Administration of elections for directors.**

30 1. The Iowa corn promotion board shall administer elections  
31 for district elected directors of the board with the assistance  
32 of the secretary. Prior to the expiration of a director's  
33 term of office, the board shall appoint a nominating committee  
34 for the district represented by that director. The nominating  
35 committee shall consist of five producers who are residents

1 of the district from which a director must be elected. The  
2 nominating committee shall nominate two resident producers as  
3 candidates for each director position for which an election  
4 is to be held. Additional candidates may be nominated by  
5 a written petition of twenty-five producers. Procedures  
6 governing the time and place of filing shall be adopted and  
7 publicized by the board.

8 Following recommencement of the promotional order,  
9 or termination of the promotional order's suspension as  
10 provided in section 185C.24, the secretary shall order the  
11 reconstitution of the board. An election of district elected  
12 directors shall be held within thirty days from the date of the  
13 order. The secretary shall call for, provide for notice of,  
14 conduct, and certify the results of the election in a manner  
15 consistent with section 185C.5 through 185C.7. Directors shall  
16 serve terms as provided in section 185C.7. Rules or procedures  
17 adopted by the board and in effect at the date of suspension  
18 shall continue in effect upon reconstitution of the board.  
19 The Iowa corn growers association may nominate two resident  
20 producers as candidates for each director position. Additional  
21 candidates may be nominated by a written petition of at least  
22 twenty-five producers.

23 2. The Iowa corn promotion board shall administer elections  
24 for board elected directors. Prior to the expiration of a  
25 board elected director's term of office, the board may appoint  
26 a nominating committee. In order to be eligible for nomination  
27 and election, a candidate must have previously served on the  
28 board as an elected director. An officer of the board shall  
29 certify the results of the election.

30 Sec. 7. Section 185C.10, subsection 3, Code 2013, is amended  
31 by striking the subsection.

32 Sec. 8. Section 185C.14, subsection 3, Code 2013, is amended  
33 to read as follows:

34 3. The board shall meet at least ~~once every~~ three months  
35 times each year, and at such other times as deemed necessary

1 by the board.

2 Sec. 9. Section 185C.21, subsection 2, Code 2013, is amended  
3 to read as follows:

4 2. Upon request of the board, the secretary shall call  
5 a special referendum for producers to vote on whether to  
6 authorize an increase in the state assessment above one-quarter  
7 of one cent per bushel, notwithstanding subsection 1. The  
8 special referendum shall be conducted as provided in this  
9 chapter for referendum elections. However, the special  
10 referendum shall not affect the existence or length of the  
11 promotional order in effect. If a majority of the producers  
12 voting in the special referendum approve the increase, the  
13 board may increase the assessment to the amount approved in  
14 the special referendum. However, a state assessment shall not  
15 exceed ~~one-cent~~ five cents per bushel of corn marketed in this  
16 state.

17 Sec. 10. Section 185C.27, Code 2013, is amended to read as  
18 follows:

19 **185C.27 Refund of assessment.**

20 A producer who has sold corn and had a state assessment  
21 deducted from the sale price, by application in writing to  
22 the board, may secure a refund in the amount deducted. The  
23 refund shall be payable only when the application shall have  
24 been made to the board within sixty days after the deduction.  
25 Application forms shall be given by the board to each first  
26 purchaser when requested and the first purchaser shall make the  
27 applications available to any producer. Each application for  
28 refund by a producer shall have attached to the application  
29 proof of the assessment deducted. The proof of assessment  
30 may be in the form of a duplicate or certified copy of the  
31 purchase invoice by the first purchaser. The board shall have  
32 thirty business days from the date the application for refund  
33 is received to remit the refund to the producer. The board  
34 may provide for refunds of a federal assessment as provided by  
35 federal law. Unless inconsistent with federal law, refunds

1 shall be made under section 185C.26.

2 Sec. 11. IMPLEMENTATION. The Iowa corn promotion board  
3 established pursuant to section 185C.3 shall implement this  
4 Act.

5 1. During the implementation period all of the following  
6 shall apply:

7 a. The board shall provide for staggered terms of directors  
8 in the same manner as required for the initial terms of office  
9 of a reconstituted board pursuant to section 185C.7. However,  
10 the board is not required to draw lots as otherwise provided in  
11 that section.

12 b. The board is not required to fill a vacancy for an  
13 unexpired term as required in section 185C.9.

14 c. The board may reduce the number of years of a director's  
15 term in order to comply with this section.

16 2. The board shall complete implementation of this Act not  
17 later than July 1, 2014.

18 Sec. 12. EFFECTIVE UPON ENACTMENT. This Act, being deemed  
19 of immediate importance, takes effect upon enactment.

20 EXPLANATION

21 GENERAL. This bill amends Code chapter 185C which provides  
22 for an assessment on the sale of each bushel of corn, a  
23 self-imposed tax or "checkoff", imposed on producers and  
24 collected by first purchasers for remission to the Iowa corn  
25 promotion board (board) for purposes of promoting the marketing  
26 of corn and corn products and to provide for related education  
27 and research programs and a financial assistance program (Code  
28 sections 185C.11, 185C.11A, and 185C.21). The maximum rate of  
29 assessment is one cent per bushel (Code section 185C.21). A  
30 producer may claim a refund, and the board has 30 calendar days  
31 in order to satisfy that claim (Code section 185C.27).

32 The board of directors are each elected for staggered  
33 three-year terms (Code section 185C.7). The districts are  
34 based on the official crop reporting districts established  
35 by the United States department of agriculture (Code section

1 185C.1). Currently, there are nine districts. Each district  
2 producing more than an average of 100,000,000 bushels of corn  
3 in the prior marketing year is entitled to elect two directors  
4 (Code section 185C.3). A director cannot serve for more than  
5 three complete consecutive terms (Code section 185C.7). The  
6 board must meet once every three months (Code section 185C.14).

7 Currently, 17 directors serve on the board. In addition,  
8 there are four ex officio, nonvoting members, including  
9 the secretary of agriculture, the dean of the college of  
10 agriculture and life sciences of Iowa state university  
11 of science and technology, the director of the economic  
12 development authority, and two representatives of first  
13 purchaser organizations (Code section 185C.10).

14 BILL — ORGANIZATION OF DISTRICTS. The bill provides that  
15 the nine districts are to be organized based on the crop  
16 reporting districts formed by the United States department of  
17 agriculture for use on January 1, 2013.

18 BILL — CHANGE IN BOARD GOVERNANCE. The bill provides that  
19 12 directors are to be elected to the board. Each of nine  
20 districts are to be represented by one director. In addition  
21 three directors are to be elected by the board to serve at  
22 large. A board elected director must have served as a district  
23 elected director. A board director so elected cannot serve  
24 more than a total of four terms in office regardless of whether  
25 any of the terms are complete or consecutive.

26 The bill removes the director of the economic development  
27 authority as an ex officio member.

28 BILL — MEETING TIMES. The bill provides that the board  
29 must meet at least three times a year rather than every three  
30 months.

31 BILL — ASSESSMENTS. The bill increases the maximum per  
32 bushel assessment rate from 1 cent to 5 cents. Any increase in  
33 the current assessment rate would have to still be accomplished  
34 by a special referendum of producers. The bill provides that  
35 the board now has 30 business rather than calendar days in

1 order to satisfy a producer's request for a refund.

2 BILL — IMPLEMENTATION. The board is responsible for  
3 implementing the provisions of the bill, including by providing  
4 for staggered terms of its directors notwithstanding any  
5 applicable procedures in the Code chapter to the contrary. The  
6 board must complete its implementation by July 1, 2014.

7 BILL — EFFECTIVE DATE. The bill takes effect upon  
8 enactment.