

**House File 2465 - Introduced**

HOUSE FILE 2465

BY ISENHART and ANDERSON

**A BILL FOR**

1 An Act providing for a state assessment for clean water  
2 imposed on agricultural commodities, including establishing  
3 procedures for referendums to establish, continue, or  
4 terminate the state assessment, the transfer of moneys to  
5 the department of agriculture and land stewardship, and the  
6 appropriation of moneys.

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

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DIVISION I

IOWA DAIRY INDUSTRY COMMISSION AND  
IOWA STATE DAIRY ASSOCIATION

Section 1. Section 179.1, Code 2016, is amended by adding the following new subsections:

NEW SUBSECTION. 01. *Assessment* means an excise tax on the sale of milk which may include a state assessment for direct use and a state assessment for water.

NEW SUBSECTION. 2A. *Federal Act* means the Dairy Product Stabilization Act of 1983, 7 U.S.C. §4501 et seq.

NEW SUBSECTION. 3A. *National assessment* means an excise tax on the sale of milk imposed pursuant to the federal Act.

NEW SUBSECTION. 10. *Secretary* means the secretary of agriculture.

Sec. 2. Section 179.1, subsection 2, Code 2016, is amended to read as follows:

2. ~~The term *commission* shall mean~~ *Commission* means the Iowa dairy industry commission created in section 179.2.

Sec. 3. Section 179.2, subsections 4, 5, 6, and 7, Code 2016, are amended to read as follows:

4. a. When a national promotional order is established by the United States department of agriculture pursuant to the ~~Dairy Product Stabilization Act of 1983~~ federal Act, collection of the ~~excise tax~~ state assessment for direct use described in section 179.5 shall be suspended for the period in which the national order is in effect. The commission shall continue to operate thereafter for only the period of time necessary to pay refunds and disburse the ~~funds~~ moneys remaining in the dairy industry fund for ~~the purposes enumerated in~~ administering this chapter. Upon completion of these acts, the existence of the ~~Iowa dairy industry~~ commission shall be suspended. The secretary of agriculture shall certify the suspension of the commission as of a date certain to the ~~Iowa dairy industry~~ commission and the Iowa state dairy association. When the existence of the commission is suspended, the terms of office

1 being served by individual commissioners shall terminate.

2 b. The establishment of a national promotional order shall  
3 not affect the imposition of a state assessment for clean water  
4 established pursuant to section 179.13A.

5 5. When the national promotional order expires, the period  
6 of suspension of the ~~excise tax~~ state assessment for direct use  
7 established in section 179.5 shall terminate and the secretary  
8 ~~of agriculture~~ shall take the steps necessary to collect that  
9 ~~excise tax state assessment~~ and otherwise fulfill the duties of  
10 the commission, except that of expending ~~funds~~ moneys collected  
11 under the ~~excise tax~~ that state assessment, until those  
12 duties can be resumed by the reactivated commission. When the  
13 national promotional order expires, the period of suspension of  
14 the commission shall terminate. The secretary ~~of agriculture~~  
15 shall call the first meeting of the reactivated commission.  
16 Upon reactivation, the commission shall reimburse the secretary  
17 ~~of agriculture~~ for expenses incurred in carrying out the duties  
18 provided in this subsection.

19 6. When the national dairy promotion program expires and  
20 the suspension of the ~~Iowa dairy industry~~ commission terminates  
21 pursuant to subsection 5, all first purchasers shall, in a  
22 manner designed to reflect their proportionate contributions  
23 to the national dairy promotion program in its most recently  
24 completed fiscal year, nominate two resident producers for each  
25 of the sixteen offices of the commission. The secretary ~~of~~  
26 ~~agriculture~~ shall then appoint one nominee from each set of  
27 two nominees as commissioners of the reactivated ~~Iowa dairy~~  
28 ~~industry~~ commission. The secretary ~~of agriculture~~ shall  
29 stagger the terms of the reactivated commission resulting in  
30 as nearly as possible one third of the commissioners serving  
31 for one year, one third of the commissioners serving for two  
32 years, and one third of the commissioners serving for three  
33 years. After the initial staggering of terms by the secretary,  
34 commissioners shall be appointed to three-year terms.

35 7. The establishment or expiration of a national

1 promotional order shall not affect the imposition of a state  
2 assessment for clean water established pursuant to section  
3 179.13A.

4 ~~7.~~ 8. After the reactivated commission has been formed,  
5 nominations for commissioners shall be made by first  
6 purchasers in a manner designed to reflect their proportionate  
7 contributions to the ~~Iowa dairy industry~~ commission in its most  
8 recently completed fiscal year.

9 Sec. 4. Section 179.3, Code 2016, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 10. To cooperate with the division of soil  
12 conservation and water quality of the department of agriculture  
13 and land stewardship in transferring moneys collected from  
14 the state assessment for clean water to the clean water fund  
15 created in section 466B.51.

16 Sec. 5. Section 179.4, Code 2016, is amended to read as  
17 follows:

18 **179.4 ~~Expenditure of funds~~ Use of moneys.**

19 ~~Funds collected through~~ Moneys collected by the commission  
20 from the excise tax are to state assessment for direct use  
21 imposed pursuant to section 179.5 shall be used for purposes  
22 of advertising and promotion, product, process, and nutrition,  
23 dietetics, and physiology research, nutrition education, public  
24 relations, research and development, and for other activities  
25 that contribute to producer efficiency and productivity.  
26 In addition, the commission shall use these ~~funds~~ moneys  
27 to maintain existing markets, to make contributions to  
28 organizations working toward the purposes of **this section**,  
29 and to assist in the development of new or enlarged markets  
30 for milk, both domestic and foreign. The primary purpose for  
31 use of these ~~funds~~ moneys is to increase consumption of milk.  
32 The commission may contract for advertising, publicity, sales  
33 promotion, research, and educational services the ~~committee~~  
34 commission deems appropriate to further the objectives of this  
35 section.

1     Sec. 6. Section 179.5, Code 2016, is amended to read as  
2 follows:

3     **179.5 Excise tax — administration of moneys —**  
4 **appropriation.**

5     1. a. There is ~~levied and imposed an excise tax a state~~  
6 assessment for direct use on all producers within the state  
7 at a rate of three-fourths of one percent of the gross value  
8 of milk produced in the state and which may be continued by  
9 special referendum as provided in section 179.13A.

10    b. There is imposed a state assessment for clean water on  
11 all producers within the state at a rate established by the  
12 commission not to exceed the rate of the state assessment for  
13 direct use described in paragraph "a", if the state assessment  
14 for clean water is established or continued pursuant to section  
15 179.13A.

16    2. ~~All taxes levied and~~ The state assessment for direct use  
17 and the state assessment for clean water imposed under this  
18 chapter shall be deducted from the sales price received by the  
19 producer and shall be collected by the first purchaser, except  
20 as follows:

21    a. If the producer produces milk from cows and sells the  
22 milk directly to the consumer, ~~the taxes~~ each state assessment  
23 shall be remitted by that producer.

24    b. If the producer sells milk to a first purchaser outside  
25 the state, ~~the taxes are~~ each state assessment is due and  
26 payable by that producer before the shipment is made, except  
27 that the commission may make agreements with extra state  
28 purchasers for the keeping of records and the collection of ~~the~~  
29 taxes each state assessment as necessary to secure the payment  
30 of ~~the taxes~~ each state assessment within the time fixed by  
31 this chapter.

32    3. ~~All taxes levied and~~ The state assessment for direct use  
33 and the state assessment for clean water if established and  
34 imposed under this chapter, and any other contributions made to  
35 the ~~dairy industry~~ commission, shall be paid to and collected

1 by the commission within thirty days after the end of the month  
2 during which the milk was marketed.

3 4. The commission shall remit moneys collected from  
4 the ~~taxes~~ state assessment for direct use and any other  
5 contributions obtained by the commission to the treasurer of  
6 the state each quarter, and at the same time shall render to  
7 the director of the department of administrative services an  
8 itemized and verified report showing the source from which  
9 the ~~taxes~~ moneys collected from the state assessment for  
10 direct use and voluntary contributions were obtained. All  
11 ~~taxes~~ moneys collected from the state assessment for direct  
12 use and voluntary contributions received, collected, and  
13 remitted by the commission shall be placed in a special fund  
14 by the treasurer of state and the director of the department  
15 of administrative services, to be known as the "dairy industry  
16 fund" to be used by the Iowa ~~dairy industry~~ commission for  
17 the purposes set out in this chapter and to administer and  
18 enforce the laws relative to this chapter. The department of  
19 administrative services shall transfer moneys from the fund  
20 to the commission for deposit into an account established  
21 by the commission in a qualified financial institution.  
22 The department shall transfer the moneys as provided in a  
23 resolution adopted by the commission. However, the department  
24 is only required to transfer moneys once during each day and  
25 only during hours when the offices of the state are open.  
26 Moneys deposited in the fund and transferred to the commission  
27 as provided in this section are appropriated and shall be used  
28 for the purpose of carrying out the provisions of this chapter.

29 5. The commission may deposit moneys collected from the  
30 state assessment for clean water in a qualified financial  
31 institution until transferred to the clean water fund  
32 created in section 466B.51. During the period when a  
33 national promotional order is in effect, the Iowa state dairy  
34 association shall deposit the moneys collected from that  
35 state assessment for clean water in a qualified financial

1 institution until transferred to the clean water fund. If the  
2 state assessment for clean water is terminated as provided in  
3 section 179.13A, the remaining moneys collected from that state  
4 assessment shall be immediately transferred to the clean water  
5 fund.

6 6. The commission may require that the invoice also show the  
7 total amount of any state assessment for direct use deducted  
8 from the sales price. If a national assessment is being  
9 collected, the Iowa state dairy association may require that  
10 the invoice for the national assessment also show the total  
11 amount of any national assessment, if permitted by federal law.  
12 If a state assessment for clean water is collected, the first  
13 purchaser shall furnish the producer at the time of payment an  
14 invoice showing the total amount of the state assessment for  
15 clean water deducted from the sales price.

16 4. 7. a. A person from whom ~~the excise tax provided in~~  
17 ~~this chapter~~ a state assessment for direct use is collected  
18 may, by application filed with the commission within thirty  
19 days after the collection of the ~~tax~~ state assessment, have the  
20 ~~tax~~ state assessment refunded to that person by the commission.

21 b. If a state assessment for direct use is imposed, a person  
22 from whom a state assessment for clean water is collected  
23 may file an application for a refund with the commission.  
24 The application for a refund shall allow the person to elect  
25 whether the refund is for the state assessment for direct  
26 use or the state assessment for clean water or both. The  
27 commission shall not approve an application unless the  
28 application indicates the election. The commission shall  
29 forward an approved application for a refund of the state  
30 assessment to the division of soil conservation and water  
31 quality for payment.

32 c. If a national assessment is imposed and a refund of the  
33 national assessment is authorized, a person from whom a state  
34 assessment for clean water is collected may file an application  
35 for a refund with the Iowa state dairy association. The

1 application shall to the extent allowed by federal law allow  
2 the person to elect whether the refund is for the national  
3 assessment or the state assessment for clean water or both.  
4 The association shall forward the approved application for a  
5 refund of the state assessment for clean water to the division  
6 of soil conservation and water quality for payment.

7 Sec. 7. Section 179.6, Code 2016, is amended to read as  
8 follows:

9 **179.6 Records of producers, first purchasers.**

10 Every producer shipping milk to a first purchaser outside of  
11 Iowa who is not by agreement with the commission collecting the  
12 ~~tax~~ state assessment for direct use or the state assessment for  
13 clean water imposed by **this chapter**, and every first purchaser  
14 within the state, and every producer distributing milk directly  
15 to the consumer, shall keep a complete and accurate record of  
16 all milk produced or purchased by the person during the period  
17 for which ~~an excise tax levy~~ a state assessment is imposed  
18 under **this chapter**. The records shall be in the form and  
19 contain the information prescribed by the commission, shall be  
20 preserved by the person charged with their making for a period  
21 of two years, and shall be offered or submitted for inspection  
22 at any time upon written or oral request by the commission or  
23 its duly authorized agent or employee.

24 Sec. 8. Section 179.8, Code 2016, is amended to read as  
25 follows:

26 **179.8 Payment of expenses — limitation.**

27 1. No part of the expense incurred by the commission  
28 shall be paid out of moneys in the state treasury except  
29 moneys transferred to the commission from the dairy industry  
30 fund. Moneys transferred from the fund to the commission, as  
31 provided in **section 179.5**, shall be used for the payment of  
32 all salaries, and other expenses necessary, to carry out the  
33 provisions of **this chapter**. However, in no event shall the  
34 total expenses exceed the total ~~taxes~~ amount collected from the  
35 state assessment for direct use collected and transferred from



1 the fund to the commission.

2 2. No more than five percent of the ~~excise tax~~ collected  
3 moneys collected from the state assessment for direct use and  
4 received by the commission pursuant to [section 179.5](#) shall be  
5 utilized for administrative expenses of the commission.

6 Sec. 9. Section 179.9, Code 2016, is amended to read as  
7 follows:

8 **179.9 Investigations by commission.**

9 The commission shall have the power to cause its authorized  
10 agents to enter upon the premises of any person charged by this  
11 chapter or by agreement with the commission with the collection  
12 of ~~the excise tax~~ a state assessment for direct use or a state  
13 assessment for clean water imposed by [this chapter](#), and to  
14 cause to be examined by any such agent any books, records,  
15 documents, or other instruments bearing upon the amount of  
16 moneys from such ~~tax~~ state assessment collected or to be  
17 collected by such person; provided that the commission has  
18 reasonable ground to believe that all moneys from the ~~tax~~ state  
19 assessment herein ~~levied has~~ imposed have not been collected,  
20 or if ~~it has~~ they have not been fully accounted for as herein  
21 provided.

22 Sec. 10. Section 179.10, Code 2016, is amended to read as  
23 follows:

24 **179.10 Report.**

25 The commission shall each year prepare and submit a report  
26 summarizing the activities of the commission under [this chapter](#)  
27 to the auditor of state and the secretary of ~~agriculture~~. The  
28 report shall show all income, expenses, and other relevant  
29 information concerning ~~fees~~ the state assessment for direct  
30 use collected and expended under [this chapter](#). The report  
31 shall also show the collection and transfer of moneys received  
32 from any state assessment for clean water imposed under this  
33 chapter.

34 Sec. 11. Section 179.13, Code 2016, is amended to read as  
35 follows:

1     **179.13 ~~Referendum~~ Initial referendum.**

2     1. a. At a time designated by the commission within  
3 eighteen months after termination of the national promotional  
4 order made pursuant to the ~~Dairy Product Stabilization~~  
5 federal Act of 1983, the commission shall conduct a an initial  
6 referendum under administrative procedures prescribed by the  
7 department.

8     b. Upon signing a statement certifying to the department  
9 that the person is a bona fide producer as defined in this  
10 chapter, each producer is entitled to one vote in each initial  
11 referendum. When the secretary is required to determine the  
12 approval or disapproval of producers under this section, the  
13 secretary shall consider the approval or disapproval of a  
14 cooperative association of producers, engaged in a bona fide  
15 manner in marketing milk, as the approval or disapproval of the  
16 producers who are members of or contract with the cooperative  
17 association of producers. If a cooperative association  
18 elects to vote on behalf of its members, the cooperative  
19 association shall provide each producer on whose behalf the  
20 cooperative association is expressing approval or disapproval  
21 with a description of the question presented in the initial  
22 referendum together with a statement of the manner in which  
23 the cooperative association intends to cast its vote on behalf  
24 of the membership. The information shall inform the producer  
25 of procedures to follow to cast an individual ballot if the  
26 producer chooses to do so within the period of time established  
27 by the secretary for casting ballots. The notification shall  
28 be made at least thirty days prior to the initial referendum  
29 and shall include an official ballot. The ballots shall be  
30 tabulated by the secretary and the vote of the cooperative  
31 association shall be adjusted to reflect the individual votes.

32     c. The department shall count and tabulate the ballots  
33 filed during the initial referendum within thirty days of the  
34 close of the initial referendum. If from the tabulation the  
35 department determines that a majority of the total number of

1 producers voting in the initial referendum favors the proposal,  
 2 the ~~excise tax~~ state assessment for direct use provided for in  
 3 this chapter shall be continued. The ballots cast pursuant  
 4 to this section constitute complete and conclusive evidence  
 5 for use in determinations made by the department under this  
 6 chapter.

7 2. The secretary may conduct a special referendum at any  
 8 time after the ~~Iowa dairy industry~~ commission is reactivated,  
 9 and shall ~~hold a~~ conduct a special referendum ~~on request upon~~  
 10 receiving a petition of a representative group comprising ten  
 11 percent or more of the number of producers eligible to vote,  
 12 to determine whether the producers favor the ~~termination or~~  
 13 suspension or termination of the ~~excise tax~~ state assessment  
 14 for direct use. The secretary shall suspend or terminate  
 15 ~~collection of the excise tax within~~ state assessment for direct  
 16 use not later than six months after the secretary determines  
 17 that suspension or termination of the ~~excise tax~~ state  
 18 assessment is favored by a majority of the producers voting  
 19 in the special referendum, and shall suspend or terminate the  
 20 ~~excise tax~~ state assessment in an orderly manner as soon as  
 21 practicable after the determination.

22 Sec. 12. NEW SECTION. **179.13A Referendums and special**  
 23 **questions — establishment, increase, or termination of a state**  
 24 **assessment.**

25 1. *a.* If a state assessment for direct use is established,  
 26 and upon receipt of a petition of producers that otherwise  
 27 complies with requirements to conduct an initial referendum  
 28 under section 179.13, subsection 1, the secretary shall conduct  
 29 a special referendum to determine whether to establish a state  
 30 assessment for clean water.

31 *b.* Upon receipt of a petition of producers that otherwise  
 32 complies with requirements to conduct an initial referendum  
 33 under section 179.13, the secretary shall include as part of  
 34 the initial referendum conducted pursuant to section 179.13,  
 35 subsection 1, a separate special question whether to establish

1 a state assessment for clean water, if the secretary determines  
2 the inclusion of the special question is cost-effective or the  
3 petition demands inclusion.

4 *c.* The secretary shall conduct the special referendum under  
5 this subsection or include the special question as part of an  
6 initial or special referendum conducted under section 179.13,  
7 subsection 1, in consultation with the commission and which  
8 may be based on the same procedures for conducting an initial  
9 referendum under section 179.13.

10 *d.* If the secretary determines that the establishment of  
11 a state assessment for clean water is favored by a majority  
12 of the producers voting in a special referendum under this  
13 subsection or in an initial referendum conducted under section  
14 179.13, subsection 1, that includes a special question as  
15 provided in paragraph "b", the state assessment shall commence  
16 on a date determined by the secretary after consultation with  
17 the commission but not later than six months after the date  
18 that the special or initial referendum was conducted.

19 2. *a.* If a national assessment is being collected, and upon  
20 receipt of a petition of producers that otherwise complies with  
21 requirements to conduct an initial referendum under section  
22 179.13, subsection 1, the secretary shall conduct a special  
23 referendum to determine whether to establish a state assessment  
24 for clean water.

25 *b.* Upon receipt of a petition of producers that otherwise  
26 complies with requirements to conduct an initial referendum  
27 under section 179.13, subsection 1, the secretary shall include  
28 as part of the referendum to establish a national assessment,  
29 a separate special question whether to establish a state  
30 assessment for clean water, if the secretary determines the  
31 inclusion of the special question complies with federal law and  
32 either is cost-effective or the petition demands inclusion.

33 *c.* The secretary shall conduct the special referendum under  
34 this subsection or include the special question as part of a  
35 referendum to establish a national referendum in consultation

1 with the Iowa state dairy association and which may be based on  
2 the same procedures for conducting an initial referendum under  
3 section 179.13, subsection 1, or a referendum to establish a  
4 national assessment.

5 *d.* If the secretary determines that the establishment of a  
6 state assessment for clean water is favored by a majority of  
7 the producers voting in a special referendum conducted under  
8 paragraph "a" or a referendum to establish a national assessment  
9 that includes a special question as provided in paragraph "b",  
10 the state assessment shall commence on a date determined by  
11 the secretary after consultation with the Iowa state dairy  
12 association but not later than six months after the date that  
13 the special referendum or referendum establishing a national  
14 assessment was conducted.

15 3. *a.* If the rate of the national assessment has been  
16 increased, and upon receipt of a petition of producers that  
17 otherwise complies with requirements to conduct an initial  
18 referendum under section 179.13, subsection 1, the secretary  
19 shall conduct a special referendum to determine whether to  
20 increase the rate of the state assessment for clean water to  
21 a rate established by the Iowa state dairy association not to  
22 exceed the rate of the national assessment.

23 *b.* Upon receipt of a petition of producers that otherwise  
24 complies with requirements to conduct an initial referendum  
25 under section 179.13, subsection 1, the secretary shall include  
26 as part of a referendum to increase the rate of the national  
27 assessment, a separate special question whether to increase  
28 the rate of the state assessment for clean water at a rate  
29 established by the Iowa state dairy association not to exceed  
30 the increase in the national assessment, if the secretary  
31 determines the inclusion of the special question complies  
32 with federal law and is either cost-effective or the petition  
33 demands inclusion.

34 *c.* The secretary shall conduct the special referendum under  
35 this subsection, or include the special question as part of a

1 referendum to increase the national assessment, in consultation  
2 with the Iowa state dairy association and which may be based on  
3 the same procedures for conducting an initial referendum under  
4 section 179.13, subsection 1, or a referendum to increase the  
5 rate of the national assessment.

6 *d.* If the national assessment is increased, and the  
7 secretary determines that an increase in the state assessment  
8 for clean water is favored by a majority of the producers  
9 voting in a special referendum or referendum to increase  
10 the rate of the national assessment, the rate of the state  
11 assessment shall be increased on a date determined by the  
12 secretary after consultation with the Iowa state dairy  
13 association but not later than six months after the date that  
14 the special referendum or referendum establishing a national  
15 assessment was conducted. If a special referendum or special  
16 question to increase the rate of the state assessment for clean  
17 water does not pass, the result of the vote shall not affect  
18 the existence or length of the period when the state assessment  
19 is in effect.

20 4. *a.* If a state assessment for direct use is imposed,  
21 and upon receipt of a petition of producers that otherwise  
22 complies with requirements to conduct a special referendum  
23 under section 179.13, subsection 2, the secretary shall conduct  
24 a special referendum to determine whether to terminate the  
25 state assessment for clean water.

26 *b.* Upon receipt of a petition of producers that otherwise  
27 complies with requirements to conduct a special referendum  
28 under section 179.13, subsection 2, the secretary shall include  
29 as part of a special referendum to suspend or terminate the  
30 state assessment for direct use conducted pursuant to section  
31 179.13, subsection 2, a separate special question whether  
32 to terminate the state assessment for clean water, if the  
33 secretary determines the inclusion of the special question is  
34 cost-effective or the petition demands inclusion.

35 *c.* The secretary shall conduct the special referendum under

1 this subsection or include the special question as part of a  
2 special referendum conducted under section 179.13, subsection  
3 2, in consultation with the commission and which may be based  
4 on the same procedures for conducting a special referendum  
5 under section 179.13, subsection 2.

6 *d.* If the secretary determines that the termination of  
7 a state assessment for clean water is favored by a majority  
8 of the producers voting in a special referendum under this  
9 subsection, or a special referendum conducted under section  
10 179.13, subsection 2, the state assessment shall terminate on a  
11 date determined by the secretary after consultation with the  
12 commission but not later than six months after the date that  
13 the special or initial referendum was conducted. The secretary  
14 shall terminate the state assessment in an orderly manner as  
15 soon as practical.

16 5. The secretary shall terminate the state assessment for  
17 clean water upon determining that the state assessment for  
18 direct use and the national assessment are terminated. The  
19 secretary shall terminate the state assessment for clean water  
20 in an orderly manner as soon as practical.

21 DIVISION II

22 IOWA BEEF CATTLE PRODUCERS ASSOCIATION — EXECUTIVE COMMITTEE

23 Sec. 13. Section 181.1, subsection 3, Code 2016, is amended  
24 by striking the subsection and inserting in lieu thereof the  
25 following:

26 3. "*Executive committee*" means the executive committee of  
27 the association as created in [section 181.3](#).

28 Sec. 14. Section 181.1, subsection 6, paragraph b, Code  
29 2016, is amended to read as follows:

30 *b.* The person acquired ownership of cattle to facilitate  
31 the transfer of ownership of such cattle from the seller to a  
32 third party; resold such cattle no later than ten days from the  
33 date on which the person acquired ownership; and certified as  
34 required by rules adopted by the ~~council~~ executive committee.

35 Sec. 15. Section 181.1, subsection 10, Code 2016, is amended

1 to read as follows:

2 10. *"State assessment"* means an excise tax on the sale of  
3 cattle ~~imposed pursuant to this chapter~~ which may include a  
4 state assessment for direct use and a state assessment for  
5 clean water.

6 Sec. 16. Section 181.2, Code 2016, is amended to read as  
7 follows:

8 **181.2 Duties and objects of association.**

9 The Iowa beef cattle producers association shall do all of  
10 the following:

11 1. Aid in the marketing and promotion of the cattle industry  
12 of the state.

13 2. ~~Provide for practical and scientific instruction in~~  
14 ~~the breeding and raising of cattle~~ Conduct research on beef  
15 production and evaluate Iowa beef production needs.

16 3. ~~Make demonstrations in the feeding of cattle and publish~~  
17 ~~suggestions beneficial to such business~~ Provide educational  
18 materials and opportunities to consumers, producers, and youth  
19 regarding the benefits of Iowa's beef cattle industry.

20 4. ~~Aid and promote cattle feeding contests, shows, and~~  
21 ~~sales.~~

22 5. ~~4.~~ Prepare an annual report of the proceedings and  
23 expenditures of the ~~council~~ executive committee as provided in  
24 section 181.18B.

25 5. Cooperate with the division of soil conservation and  
26 water quality of the department of agriculture and land  
27 stewardship in transferring moneys collected from the state  
28 assessment for clean water to the clean water fund created  
29 in section 466B.51 and for being reimbursed for reasonable  
30 expenses incurred in conducting an initial or special  
31 referendum to establish, continue, or terminate a state  
32 assessment for clean water.

33 Sec. 17. Section 181.3, Code 2016, is amended to read as  
34 follows:

35 **181.3 ~~Iowa beef industry council~~ Executive committee —**



1 creation and operation.

2 1. An ~~Iowa beef industry council~~ executive committee of the  
3 Iowa beef cattle producers association is created. The ~~council~~  
4 executive committee consists of ~~eight~~ ten members, including  
5 all of the following:

6 a. Five producers elected by the Iowa beef cattle producers  
7 association pursuant to section 181.6A.

8 b. Two producers appointed by the Iowa cattlemen's  
9 association.

10 c. One livestock market representative appointed pursuant to  
11 subsection 2.

12 ~~e.~~ d. The secretary of agriculture or a designee, who shall  
13 serve as ~~a voting~~ an ex officio, voting member.

14 ~~d.~~ e. The dean of the college of agriculture and life  
15 sciences of Iowa state university of science and technology or  
16 a designee, who shall serve as ~~a voting~~ an ex officio, voting  
17 member.

18 2. The Iowa livestock auction market association shall  
19 nominate two livestock market representatives. The secretary  
20 of agriculture shall appoint one of the nominees or another  
21 livestock market representative of the secretary's choice, who  
22 shall serve at the pleasure of the secretary.

23 3. The ~~council~~ executive committee shall elect a  
24 chairperson, secretary, and other officers it deems necessary.

25 4. a. A member who is a producer or livestock market  
26 representative described in subsection 1, paragraphs "a"  
27 through "c", shall serve a three-year term. The member shall  
28 not serve more than two consecutive full terms.

29 b. Except for an ex officio members member, vacancies a  
30 vacancy in the ~~council~~ executive committee resulting from  
31 death, inability or refusal to serve, or failure to meet the  
32 qualifications of this chapter shall be filled by the ~~council~~  
33 executive committee. If the ~~council~~ executive committee fails  
34 to fill a vacancy, the secretary shall fill it. ~~Vacancy~~  
35 ~~appointments~~ A vacancy appointment shall be filled only for the

1 remainder of the unexpired term.

2 Sec. 18. Section 181.4, Code 2016, is amended to read as  
3 follows:

4 **181.4 ~~Employees of council~~ Executive committee — employees.**

5 The ~~council~~ executive committee may employ two or more  
6 competent persons who shall devote their entire time, under  
7 the direction of the ~~council~~ executive committee, in carrying  
8 out the provisions of **this chapter**. The salary of persons so  
9 employed shall be set by the ~~council~~ executive committee, and  
10 the persons shall hold office at the pleasure of the ~~council~~  
11 executive committee.

12 Sec. 19. Section 181.6A, Code 2016, is amended to read as  
13 follows:

14 **181.6A ~~Election of council~~ Executive committee — election.**

15 1. The Iowa beef cattle producers association shall hold an  
16 annual meeting of producers. An election shall be held at the  
17 annual meeting, as necessary, for election of producers to the  
18 ~~council~~ executive committee.

19 2. Prior to the annual meeting, the association shall  
20 appoint a nominating committee. At least sixty days prior to  
21 the annual meeting of the association, the nominating committee  
22 shall nominate two producers as candidates for each position  
23 on the ~~council~~ executive committee for which an election is to  
24 be held. At least forty-five days prior to the annual meeting  
25 of the association, additional candidates may be nominated by  
26 a written petition of fifty producers. Procedures governing  
27 the place of filing and the contents of the petition shall be  
28 promulgated and publicized by the ~~council~~ executive committee.

29 3. Producers attending the annual meeting of the  
30 association may vote for one nominee for each position on the  
31 ~~council~~ executive committee for which an election is held.  
32 Producers not attending the annual meeting of the association  
33 may vote by absentee ballot if the ballot is requested and  
34 mailed, with proper postage, to the ~~council~~ executive committee  
35 prior to the annual meeting of the association. For each

1 position for which an election is held, the candidate receiving  
2 the highest number of votes shall be elected.

3 4. Notice of election for ~~council~~ executive committee  
4 membership shall be given by the ~~council~~ executive committee by  
5 publication in a newspaper of general circulation in the state  
6 and in any other reasonable manner as determined by the ~~council~~  
7 executive committee, and shall set forth the date, time, and  
8 place of the annual meeting of the association. The ~~council~~  
9 executive committee shall administer the elections, with the  
10 assistance of the secretary.

11 Sec. 20. Section 181.7, Code 2016, is amended to read as  
12 follows:

13 **181.7 ~~Research~~ Executive committee — research and education**  
14 **programs.**

15 The ~~council~~ executive committee shall initiate, administer,  
16 or participate in research and education programs directed  
17 toward the better and more efficient production, promotion, and  
18 utilization of cattle and the marketing of products made from  
19 cattle. The ~~council~~ executive committee shall provide for the  
20 methods and means that it determines are necessary to further  
21 the purposes of [this section](#), including but not limited to any  
22 of the following:

23 1. Providing public relations and other promotion  
24 techniques for the maintenance of present markets.

25 2. Making donations to nonprofit organizations furthering  
26 the purposes of [this section](#).

27 3. Assisting in the development of new or larger domestic  
28 markets for products made from cattle.

29 4. Assisting in the development of new or larger foreign  
30 markets for cattle and products made from cattle.

31 Sec. 21. Section 181.7A, Code 2016, is amended to read as  
32 follows:

33 **181.7A Commencement of federal assessment — suspension and**  
34 **recommencement of state assessment — rate.**

35 1. Prior to the commencement of the collection of the

1 federal assessment, the ~~council~~ executive committee may seek  
2 certification as a qualified state beef council within the  
3 meaning of the federal Act.

4 2. The ~~council~~ executive committee shall suspend the  
5 state assessment for direct use upon collection of the  
6 federal assessment. The state assessment for direct use shall  
7 recommence upon the earlier of the following:

8 a. The noncollection of the federal assessment. The  
9 recommenced state assessment for direct use shall be imposed  
10 for a four-year period. Its effective date shall be the first  
11 date for which the federal assessment is not collected.

12 b. The passage of a special referendum pursuant to section  
13 181.19 regardless of whether a federal assessment is being  
14 collected.

15 3. The rate of the recommenced state assessment for direct  
16 use shall be the same as the rate that was last in effect under  
17 section 181.19 immediately prior to the suspension of the state  
18 assessment.

19 4. The state assessment for clean water shall continue to be  
20 imposed during any period of suspension of the state assessment  
21 for direct use so long as the state assessment for clean water  
22 is not terminated pursuant to section 181.19A.

23 Sec. 22. Section 181.8, Code 2016, is amended to read as  
24 follows:

25 **181.8 ~~Entering~~ Executive committee — entering premises —**  
26 **examining records.**

27 The ~~council~~ executive committee may authorize its agents to  
28 enter at a reasonable time upon the premises of any purchaser  
29 charged by this chapter with remitting the state assessment for  
30 direct use to the ~~council~~ executive committee, and to examine  
31 records and other instruments relating to the collection of the  
32 state assessment. However, the ~~council~~ executive committee  
33 must first have reasonable grounds to believe that the state  
34 assessment for direct use has not been remitted or fully  
35 accounted for.

1 ~~The council may enter into arrangements with persons~~  
2 ~~purchasing cattle outside of this state for remitting the state~~  
3 ~~assessment by such purchasers.~~

4 Sec. 23. Section 181.11, Code 2016, is amended to read as  
5 follows:

6 **181.11 Collection of state assessment.**

7 1. A state assessment for direct use or a state assessment  
8 for clean water imposed as provided in this chapter shall be  
9 levied and collected from the purchaser on each sale of cattle  
10 at a rate provided in this chapter. The state assessment shall  
11 be imposed on any person selling cattle and shall be deducted  
12 by the purchaser from the price paid to the seller. The  
13 purchaser, at the time of the sale, shall make and deliver to  
14 the seller a separate invoice for each sale showing the names  
15 and addresses of the seller and the purchaser, the number of  
16 cattle sold, and the date of sale. The purchaser shall forward  
17 the state assessment to the ~~council~~ executive committee at a  
18 time prescribed by the ~~council~~ executive committee, but not  
19 later than the last day of the month following the end of the  
20 prior reporting period in which the cattle are sold.

21 2. The executive committee may enter into arrangements with  
22 persons purchasing cattle outside of this state for remitting  
23 the state assessment for direct use or the state assessment for  
24 clean water by such purchasers.

25 Sec. 24. Section 181.12, Code 2016, is amended to read as  
26 follows:

27 **181.12 Remission of state assessment on application.**

28 1. a. A person from whom a state assessment for direct  
29 use is collected may, by written application filed with the  
30 ~~council~~ executive committee within ~~sixty~~ ninety days after  
31 its collection, have the amount remitted to the person by the  
32 ~~council~~ executive committee.

33 b. A person from whom a state assessment for clean water is  
34 collected may, by written application filed with the executive  
35 committee as provided in paragraph "a", have the amount

1 remitted to the person by the division of soil conservation  
2 and water quality of the department of agriculture and land  
3 stewardship. Within ninety days after its collection, the  
4 executive committee shall transmit any approved application to  
5 the division for a refund payment.

6 2. The information described in subsection 1 that the  
7 state assessment is refundable and the address of the ~~council~~  
8 executive committee to which application for a refund may be  
9 made shall appear on the invoice of sale form supplied by the  
10 purchaser to the producer near the area on the form which shows  
11 the amount of the state assessment paid.

12 3. The ~~council~~ executive committee shall furnish uniform  
13 application for refund forms and envelopes ~~properly addressed~~  
14 ~~to the council to each purchaser charged by this chapter~~ with  
15 ~~remitting the state assessment in sufficient number to make the~~  
16 refund forms and envelopes readily available to all producers.  
17 A purchaser charged by ~~this chapter~~ with remitting the state  
18 assessment shall ~~display the application for refund forms and~~  
19 ~~envelopes in a prominent position in its place of business and~~  
20 make ~~them~~ the forms readily available to all producers. The  
21 form shall allow the applicant to elect whether the refund is  
22 for the state assessment for direct use or the state assessment  
23 for clean water or both.

24 Sec. 25. Section 181.13, Code 2016, is amended to read as  
25 follows:

26 **181.13 Administration of moneys originating from state**  
27 **assessment — appropriation.**

28 1. a. All moneys, other than moneys from the state  
29 assessments assessment for clean water imposed under this  
30 chapter shall be paid to and collected by the ~~council~~ executive  
31 committee and deposited with the treasurer of state in a  
32 separate cattle promotion fund which shall be created by  
33 the treasurer of state. The department of administrative  
34 services shall transfer moneys from the fund to the ~~council~~  
35 executive committee for deposit into an account established

1 by the ~~council~~ executive committee in a qualified financial  
 2 institution. The department shall transfer the moneys as  
 3 provided in a resolution adopted by the ~~council~~ executive  
 4 committee. However, the department is only required to  
 5 transfer moneys once during each day and only during hours when  
 6 the offices of the state are open. From ~~the moneys,~~ other than  
 7 moneys from the state assessment for clean water, collected,  
 8 deposited, and transferred to the ~~council~~ executive committee,  
 9 in accordance with the provisions of this chapter, the ~~council~~  
 10 executive committee shall first pay the costs of referendums  
 11 held pursuant to this chapter, the costs of collection of such  
 12 state assessments, and the expenses of its agents. At least  
 13 ten percent of the remaining moneys shall be remitted to the  
 14 association in proportions determined by the ~~council~~ executive  
 15 committee, for use in a manner not inconsistent with section  
 16 181.7. The remaining moneys, with approval of a majority of  
 17 the ~~council~~ executive committee, shall be expended as the  
 18 ~~council~~ executive committee finds necessary to carry out the  
 19 provisions and purposes of this chapter. However, in no event  
 20 shall the total expenses exceed the total amount transferred  
 21 from the fund for use by the ~~council~~ executive committee.

22 2. b. All moneys deposited in the cattle promotion fund  
 23 and transferred to the ~~council~~ executive committee pursuant  
 24 to this section are appropriated and shall be used for  
 25 the administration of this chapter and for the payment of  
 26 claims based upon obligations incurred in the performance of  
 27 activities and functions set forth in this chapter.

28 3. c. If the state assessment for direct use is suspended  
 29 as provided in section 181.7A or a ~~continuance~~ special  
 30 referendum to continue the state assessment for direct use  
 31 fails to pass as provided in section 181.19A, moneys remaining  
 32 in the cattle promotion fund and transferred to the ~~council~~  
 33 executive committee shall continue to be transferred and  
 34 expended in accordance with the provisions of this chapter  
 35 until exhausted.

1     2. a. All moneys collected from the state assessment for  
2 clean water imposed under this chapter shall be paid to and  
3 collected by the executive committee and may be deposited in a  
4 qualified financial institution until transferred to the clean  
5 water fund created in section 466B.51. If the state assessment  
6 for clean water is terminated as provided in section 181.19A,  
7 the remaining moneys collected from that state assessment shall  
8 be immediately transferred to the clean water fund.

9     b. Except as otherwise expressly provided in this chapter,  
10 moneys collected from the state assessment for clean water  
11 shall not be used for any purpose other than to be transferred  
12 to the clean water fund created in section 466B.51.

13     Sec. 26. Section 181.17, Code 2016, is amended to read as  
14 follows:

15     **181.17 Producers not members.**

16     A producer who is not a member of the Iowa beef cattle  
17 producers association shall be entitled to vote in elections  
18 of persons to be members of the ~~council~~ executive committee in  
19 the same manner as if the producer were a member. The members  
20 elected to the ~~council~~ executive committee shall elect from  
21 their number the officers referred to in [section 181.1A](#).

22     Sec. 27. Section 181.18, Code 2016, is amended to read as  
23 follows:

24     **181.18 Rules.**

25     All rules ~~of the council heretofore or hereinafter~~  
26 ~~promulgated~~ adopted by the executive committee shall be subject  
27 to the provisions of [chapter 17A](#).

28     Sec. 28. Section 181.18B, Code 2016, is amended to read as  
29 follows:

30     **181.18B Report.**

31     Each year, the ~~council~~ executive committee shall prepare  
32 and submit a report summarizing the activities of the ~~council~~  
33 executive committee under [this chapter](#) to the auditor of state  
34 and the secretary of agriculture. The report shall show all  
35 income, expenses, and other relevant information concerning



1 fees collected and expended under [this chapter](#).

2 Sec. 29. Section 181.19, Code 2016, is amended to read as  
3 follows:

4 **181.19 Initial and special referendums — rates.**

5 1. The secretary shall, upon the petition of five hundred  
6 producers, conduct an initial referendum to determine whether  
7 a state assessment for direct use is to be established. If  
8 established, the state assessment for direct use shall be  
9 imposed, at a rate established by the ~~council~~ of executive  
10 committee not to exceed ~~fifty cents~~ one dollar per head on all  
11 cattle sold for any purpose.

12 2. The secretary shall, upon the petition of five hundred  
13 producers, conduct a special referendum to do any of the  
14 following:

15 a. Determine whether a state assessment for direct use  
16 already imposed shall be increased to a rate, established by  
17 the ~~council~~ executive committee, not to exceed one dollar per  
18 head on all cattle sold for any purpose.

19 b. Determine whether a state assessment for direct use  
20 suspended pursuant to [section 181.7A](#) is to be in addition to a  
21 federal assessment. The state assessment for direct use shall  
22 be imposed at a rate of ~~fifty cents~~ one dollar per head on all  
23 cattle sold for whatever purpose.

24 3. a. Upon receipt of a petition that otherwise complies  
25 with the requirements of subsection 1, the secretary shall  
26 conduct a special referendum to establish a state assessment  
27 for clean water to be imposed in the same manner as a state  
28 assessment for direct use.

29 b. The rate of the state assessment for clean water shall  
30 be established by the executive committee not to exceed the  
31 rate of the state assessment for direct use in effect on the  
32 date that the special referendum to impose a state assessment  
33 for clean water passes. However, if a federal assessment is  
34 imposed, the rate of the state assessment for clean water shall  
35 be established by the executive committee not to exceed the

1 rate of the federal assessment. If a state assessment for  
2 direct use and a federal assessment are both being imposed,  
3 the rate of the state assessment for clean water shall be  
4 established by the executive committee not to exceed the rate  
5 of the state assessment for direct use plus the rate of the  
6 federal assessment.

7 4. Upon receipt of a petition that otherwise complies with  
8 the requirements of subsection 1, the secretary shall include  
9 as part of the initial referendum a separate special question  
10 whether to establish a state assessment for clean water as  
11 described in subsection 3, if the secretary determines the  
12 inclusion of the special question is cost-effective or the  
13 petition demands inclusion.

14 5. a. Upon receipt of a petition that otherwise complies  
15 with the requirements of subsection 2, the secretary shall  
16 conduct a special referendum to change the rate of the state  
17 assessment for clean water to be established by the executive  
18 committee not to exceed the rate of the state assessment  
19 for direct use and any federal assessment as described in  
20 subsection 2.

21 b. Upon receipt of a petition that otherwise complies with  
22 the requirements of subsection 2, the secretary shall include  
23 as part of the special referendum conducted under subsection  
24 2 a separate special question whether to change the rate of  
25 the state assessment for clean water to be established by  
26 the executive committee not to exceed the rate of the state  
27 assessment for direct use and any federal assessment as  
28 described in subsection 2, if the secretary determines the  
29 inclusion of the special question is cost-effective or the  
30 petition demands inclusion.

31 6. a. If a an initial referendum or a special referendum  
32 described in this section passes, the secretary shall establish  
33 an effective date to commence the state assessment for direct  
34 use or the change in the rate of the state assessment for  
35 direct use. However, the state assessment or the change in the

1 rate of the state assessment must be commenced within ninety  
2 days from the date that the secretary determines that the  
3 referendum has passed.

4 b. If a state assessment for clean water is established  
5 or the rate of the state assessment for clean water changes  
6 under this section, the secretary shall establish an effective  
7 date to commence the state assessment or change the rate of the  
8 state assessment in the same manner as provided in paragraph  
9 "a".

10 ~~4.~~ 7. a. If a special referendum to increase the rate of  
11 the state assessment for direct use does not pass, the result  
12 of the special referendum shall not affect the existence or  
13 length of the state assessment that is in effect on the date  
14 that the special referendum was conducted.

15 b. If a special referendum, or a special question that is  
16 part of a special referendum conducted under this section, to  
17 change the rate of the state assessment for clean water does  
18 not pass, the result of the vote shall not affect the existence  
19 or period that the state assessment is in effect.

20 8. A state assessment for clean water is terminated on the  
21 date that the state assessment for direct use is terminated,  
22 unless a federal assessment is imposed.

23 Sec. 30. Section 181.19A, Code 2016, is amended to read as  
24 follows:

25 **181.19A ~~Continuance referendum~~ Special referendums —**  
26 **continuance or termination.**

27 1. The secretary shall, upon the receipt of a petition  
28 of producers, conduct a ~~continuance~~ special referendum to  
29 determine whether a state assessment for direct use established  
30 in section 181.19 should be ~~renewed~~ continued. The secretary  
31 must receive the petition not less than one hundred fifty and  
32 not more than two hundred forty days before the four-year  
33 anniversary of ~~a state assessment's~~ the effective date of  
34 the state assessment for direct use. The petition must be  
35 signed within that period by a number of producers equal to

1 or greater than two percent of the number of producers in  
2 this state reported in the most recent United States census  
3 of agriculture, requesting a special referendum to determine  
4 whether to continue the state assessment for direct use.  
5 The special referendum shall be conducted not earlier than  
6 thirty days before the four-year anniversary date of the state  
7 assessment for direct use.

8 2. a. The secretary shall, upon receipt of a petition  
9 of producers otherwise complying with the requirements of  
10 subsection 1, conduct a special referendum to determine whether  
11 the state assessment for clean water established in section  
12 181.19 should be continued. The special referendum shall be  
13 conducted in the same manner as a special referendum conducted  
14 under subsection 1.

15 b. The secretary shall, upon receipt of a petition complying  
16 with the requirements of subsection 1, include as part of a  
17 special referendum provided in subsection 1 a separate special  
18 question whether a state assessment for clean water should be  
19 continued, if the secretary determines the inclusion of the  
20 special question is cost-effective or the petition demands  
21 inclusion.

22 ~~2.~~ 3. a. If the secretary determines that a continuance  
23 special referendum has passed under subsection 1, the state  
24 assessment for direct use shall continue in effect for four  
25 additional years from the anniversary of its effective date.

26 b. If the secretary determines that a special referendum  
27 or special question to continue the state assessment for clean  
28 water has passed under subsection 2, the state assessment shall  
29 be in effect until the anniversary of the effective date of the  
30 state assessment for direct use described in paragraph "a".

31 ~~3.~~ 4. a. If the secretary determines that the a special  
32 referendum to continue the state assessment for direct use has  
33 not passed, the secretary and the council executive committee  
34 shall terminate the state assessment in an orderly manner as  
35 soon as practicable after the determination.

1 b. If the secretary determines that a special referendum to  
2 continue the state assessment for clean water has not passed,  
3 the secretary and the executive committee shall terminate the  
4 state assessment in the same manner as described in paragraph  
5 "a".

6 c. A state assessment for clean water is terminated on the  
7 date that the state assessment for direct use is terminated,  
8 unless a federal assessment is imposed.

9 5. a. Another If the secretary determines that a special  
10 referendum to continue the state assessment for direct use has  
11 not passed, another initial referendum conducted under section  
12 181.19 to determine whether to establish a state assessment  
13 shall not be held conducted for at least one hundred eighty  
14 days from the date that the state assessment is terminated.

15 b. If the secretary determines that a special referendum to  
16 continue the state assessment for clean water has not passed,  
17 another special referendum to establish the state assessment  
18 or another initial or special referendum that includes a  
19 special question to establish the state assessment shall not be  
20 conducted for at least one hundred eighty days from the date  
21 that the state assessment was terminated.

22 4. 6. If ~~no~~ a valid petition for a continuance referendum  
23 provided in this section is not received by the secretary  
24 within the time period provided in [this section](#), the state  
25 assessment for direct use or the state assessment for clean  
26 water shall continue in effect for four additional years from  
27 the anniversary of ~~its~~ the effective date of the initial  
28 referendum establishing the state assessment for direct use.

29 Sec. 31. REPEAL. 2004 Iowa Acts, chapter 1037, section 17,  
30 is repealed.

31 Sec. 32. REPEAL. 2016 Iowa Acts, House File 2269, is  
32 repealed.

33 Sec. 33. TRANSITION — APPOINTMENT AND TERMS OF EXECUTIVE  
34 COMMITTEE MEMBERS.

35 1. This Act's amendments changing the name of the "Iowa beef

1 industry council" to the "executive committee" of the Iowa beef  
2 cattle producers association shall not affect the appointment  
3 or term of office of a member who served on the Iowa beef  
4 industry council immediately prior to the effective date of  
5 this Act. That member shall continue to serve on the executive  
6 committee until the member's term expires.

7 2. The executive committee of the Iowa beef cattle producers  
8 association created in [section 181.3](#) as amended in this  
9 Act may establish terms for any number of the five members  
10 first elected or reelected by the Iowa beef cattle producers  
11 association under that section on or after the effective  
12 date of this Act to ensure elected members serve staggered  
13 terms. The executive committee may also establish initial  
14 terms for the two new members appointed by the Iowa cattlemen's  
15 association under that section as amended by this Act to  
16 ensure appointed members serve staggered terms. The executive  
17 committee shall operate under [101 IAC 1.5](#) and [1.6](#) until the  
18 appointment of the new members.

19 Sec. 34. TRANSITION — ADMINISTRATIVE RULES AND OTHER  
20 ACTIONS AND DOCUMENTS. Any rule, form, order, or directive  
21 promulgated by the Iowa beef industry council created in  
22 [section 181.3](#), in force and effect immediately prior to the  
23 effective date of this Act, shall continue in full force and  
24 effect until the earlier of the following:

25 1. It is amended, rescinded, or supplemented by the  
26 affirmative action of the executive committee of the Iowa beef  
27 cattle producers association created in [section 181.3](#), as  
28 amended in this Act.

29 2. It expires by its own terms.

30 DIVISION III

31 IOWA SHEEP AND WOOL PROMOTION BOARD

32 Sec. 35. Section 182.1, subsection 1, Code 2016, is amended  
33 to read as follows:

34 1. "Assessment" means an excise tax on the sale of sheep  
35 or wool ~~as provided in [this chapter](#)~~ which may include an

1 assessment for direct use and a state assessment for clean  
2 water.

3 Sec. 36. Section 182.1, Code 2016, is amended by adding the  
4 following new subsection:

5 NEW SUBSECTION. 6A. *“Qualified financial institution”* means  
6 a bank or credit union as defined in section 12C.1.

7 Sec. 37. Section 182.2, Code 2016, is amended to read as  
8 follows:

9 **182.2 Petition for initial referendum election.**

10 Upon receipt of a petition signed by at least fifty producers  
11 in each district requesting a an initial referendum ~~by election~~  
12 to determine whether to establish the board and to impose an  
13 assessment for direct use, the secretary shall call a the  
14 initial referendum to be conducted within sixty days following  
15 receipt of the petition.

16 Sec. 38. Section 182.3, Code 2016, is amended to read as  
17 follows:

18 **182.3 Notice of initial referendum.**

19 The secretary shall give notice of the initial referendum  
20 on the question of whether to establish an Iowa sheep and wool  
21 promotion board and ~~to impose the~~ an assessment for direct use  
22 by publishing the notice for a period of not less than five  
23 days in at least one newspaper of general circulation in the  
24 state. The notice shall state the voting places, period of  
25 time for voting, and other information deemed necessary by the  
26 secretary.

27 A An initial referendum shall not be commenced until five  
28 days after the last date of publication.

29 Sec. 39. Section 182.4, Code 2016, is amended to read as  
30 follows:

31 **182.4 Establishment of sheep and wool promotion board —**  
32 **assessment assessments — termination.**

33 1. Each producer who signs a statement certifying that  
34 the producer is a bona fide producer is entitled to one vote  
35 in an initial referendum conducted under this section. At

1 the close of the initial referendum, the secretary shall  
 2 count and tabulate the ballots cast. If a majority of voters  
 3 favor establishing an Iowa sheep and wool promotion board and  
 4 ~~imposing~~ establishing an assessment for direct use, ~~an Iowa~~  
 5 ~~sheep and wool promotion~~ the board and assessment shall be  
 6 established. The assessment for direct use shall be imposed  
 7 commencing not more than sixty days following the initial  
 8 referendum as determined by the ~~Iowa sheep and wool promotion~~  
 9 board, and shall continue until the board and assessment for  
 10 direct use are terminated by a special referendum as provided  
 11 ~~in~~ conducted pursuant to subsection 2 4.

12 2. a. If the board is in existence, and upon receipt of  
 13 a petition signed by at least twenty-five producers in each  
 14 district requesting a special referendum to determine whether  
 15 to establish a state assessment for clean water, the secretary  
 16 shall call the special referendum to be conducted in the same  
 17 manner as provided in subsection 1.

18 b. If a board is not in existence, and upon receipt of a  
 19 petition that complies with the requirements of paragraph "a"  
 20 the secretary shall include as part of the initial referendum  
 21 a separate special question whether to establish a state  
 22 assessment for clean water, if the secretary determines the  
 23 inclusion of the special question is cost-effective or the  
 24 petition demands inclusion.

25 c. If a majority of voters favor establishing the state  
 26 assessment for clean water, the state assessment shall be  
 27 imposed in the same manner and for the same period as the  
 28 assessment for direct use described in subsection 1.

29 3. a. If a majority of the voters do not favor establishing  
 30 ~~an Iowa sheep and wool promotion~~ a board and imposing the an  
 31 assessment for direct use, the board and an assessment shall  
 32 not be established, and the assessment shall not be imposed  
 33 ~~and the board shall not be established~~ until another initial  
 34 referendum is ~~held~~ conducted under this chapter and a majority  
 35 of the voters favor establishing a board and ~~imposing the an~~



1 assessment. If a an initial referendum fails, another initial  
 2 referendum shall not be held within conducted for at least  
 3 one hundred eighty days from the date of the last initial  
 4 referendum.

5 b. If a majority of the voters do not favor establishing a  
 6 state assessment for clean water, the state assessment shall  
 7 not be established until another special referendum, or another  
 8 special question that is part of an initial referendum, is  
 9 conducted under this chapter and a majority of the voters favor  
 10 establishing the state assessment. If a special referendum or  
 11 special question fails, another special referendum or initial  
 12 referendum which includes a special question shall not be  
 13 conducted within one hundred eighty days from the date that  
 14 the last such special referendum or initial referendum was  
 15 conducted.

16 ~~2.~~ 4. Upon receipt of a petition signed by at least  
 17 twenty-five producers in each district requesting a special  
 18 referendum election to determine whether to terminate the  
 19 establishment of the Iowa sheep and wool promotion board and  
 20 to terminate the imposition of the and the assessment for  
 21 direct use, the secretary shall call a special referendum to  
 22 be conducted within sixty days following the receipt of the  
 23 petition. The petitioners shall guarantee the payment of the  
 24 costs of a the special referendum held conducted under this  
 25 subsection. If the majority of the voters of a voting at the  
 26 special referendum do not favor termination, an additional  
 27 special referendum may be held conducted when the secretary  
 28 receives a petition signed by at least twenty-five producers in  
 29 each district. However, the additional referendum shall not be  
 30 held within conducted for at least one hundred eighty days from  
 31 the date of the last such special referendum.

32 5. a. Upon receipt of a petition that otherwise complies  
 33 with the requirements of subsection 4 requesting a special  
 34 referendum election to determine whether to terminate the  
 35 establishment of the state assessment for clean water, the

1 secretary shall call a special referendum to be conducted in  
2 the same manner as provided in subsection 4.

3 b. Upon receipt of a petition that otherwise complies  
4 with the requirements of subsection 4, the secretary shall  
5 include as part of the special referendum conducted under that  
6 subsection a separate special question whether to terminate the  
7 state assessment for clean water, if the secretary determines  
8 the inclusion of the special question is cost-effective or the  
9 petition demands inclusion.

10 c. The petitioners shall guarantee the payment of the costs  
11 of the special referendum conducted under this subsection.

12 d. If the majority of the voters of a special referendum  
13 conducted under this subsection do not favor termination,  
14 an additional special referendum may be conducted when  
15 the secretary receives a petition complying with the same  
16 requirements as described in this subsection. However, the  
17 additional special referendum shall not be conducted for at  
18 least one hundred eighty days from the date of the last such  
19 special referendum.

20 6. A state assessment for clean water is terminated on the  
21 date that the assessment for direct use is terminated. The  
22 secretary shall terminate the state assessment for clean water  
23 in an orderly manner as soon as practical.

24 Sec. 40. Section 182.11, Code 2016, is amended to read as  
25 follows:

26 **182.11 Purposes of board.**

27 1. The purposes of the board shall be to:

28 ~~1-~~ a. Enter into contracts or agreements with or make  
29 grants to recognized and qualified agencies, individuals,  
30 or organizations for the development and carrying out of  
31 research and education programs directed toward better and more  
32 efficient production, marketing, and utilization of sheep and  
33 wool and their products.

34 ~~2-~~ b. Provide methods and means, including, but not limited  
35 to, public relations and other promotion techniques for the

1 maintenance of present markets.

2 ~~3.~~ c. Assist in development of new or larger markets, both  
3 domestic and foreign, for sheep and wool and their products.

4 2. The board shall cooperate with the division of soil  
5 conservation and water quality of the department of agriculture  
6 and land stewardship in doing all of the following:

7 a. Transferring moneys collected from the state assessment  
8 for clean water to the clean water fund created in section  
9 466B.51.

10 b. Being reimbursed for reasonable expenses incurred in  
11 conducting an initial or special referendum to establish,  
12 continue, or terminate a state assessment for clean water.

13 Sec. 41. Section 182.13, Code 2016, is amended to read as  
14 follows:

15 **182.13 Compensation — meetings.**

16 Members of the board may receive payment for their actual  
17 expenses and travel in performing official board functions.  
18 Payment shall be made from amounts collected from the  
19 assessment for direct use. ~~No~~ A member of the board shall not  
20 be a salaried employee of the board or any organization or  
21 agency receiving ~~funds~~ moneys collected from the board. The  
22 board shall meet at least once every three months, and at other  
23 times it deems necessary.

24 Sec. 42. Section 182.13B, Code 2016, is amended to read as  
25 follows:

26 **182.13B Assessment ~~rate~~ rates.**

27 1. a. If a majority of voters voting at a an initial  
28 referendum conducted pursuant to section 182.4 approve the  
29 establishment of ~~an Iowa sheep and wool promotion~~ the board and  
30 ~~the imposition of an assessment for direct use~~, the assessment  
31 shall be imposed on wool and sheep at the following rates:

32 ~~a.~~ (1) For wool, two cents imposed on each pound of wool  
33 sold by a producer.

34 ~~b.~~ (2) For sheep, ten cents imposed on each head of sheep  
35 sold by a producer.

1 b. If a majority of voters voting at a special referendum  
2 conducted pursuant to section 182.4 approve the establishment  
3 of a state assessment for clean water, the state assessment  
4 shall be imposed on wool and sheep at the rates established by  
5 board resolution not to exceed the rates described in paragraph  
6 "a".

7 2. a. Notwithstanding subsection 1, upon a resolution  
8 adopted by the board, the secretary shall call a special  
9 referendum for voters to authorize increasing the assessment  
10 rate of the assessment for direct use imposed on sheep as  
11 provided in this section or increasing the assessment for  
12 direct use imposed on sheep as provided in this section.

13 b. Notwithstanding subsection 1, upon resolution adopted by  
14 the board, the secretary shall call a special referendum for  
15 voters to authorize increasing the rate of the state assessment  
16 for clean water imposed on sheep as provided in this section.  
17 The secretary shall include as part of the special referendum  
18 to increase the rate of the assessment for direct use a  
19 separate special question whether to increase the rate of the  
20 state assessment for clean water, if the secretary determines  
21 the inclusion of the special question is cost-effective or the  
22 resolution demands inclusion.

23 ~~b.~~ c. The special referendum to increase the rate of the  
24 assessment for direct use or to increase the rate of the state  
25 assessment for clean water shall be conducted in the same  
26 manner as a an initial referendum conducted upon receipt of  
27 a petition as provided in ~~this chapter~~ section 182.4, unless  
28 otherwise provided in the board's resolution. Only producers  
29 are eligible to vote in ~~an election~~ the special referendum and  
30 each producer is entitled to one vote.

31 3. a. The special referendum to increase the rate of the  
32 assessment for direct use conducted pursuant to subsection 2  
33 shall allow a voter to cast a ballot for the following two  
34 questions:

35 ~~a.~~ (1) For the first question, whether to authorize an

1 increase in the rate of assessment rate for direct use to  
2 twenty-five cents imposed on each head of sheep.

3 ~~b.~~ (2) For the second question, if the first question is  
4 approved by a majority of voters, whether to also authorize the  
5 board to increase that assessment the rate of the assessment  
6 for direct use by future resolution as provided in this  
7 section.

8 b. The special referendum to increase the rate of the state  
9 assessment for clean water shall be conducted in the same  
10 manner as described in subsection 3 and shall allow a voter to  
11 cast a ballot for the following two questions:

12 (1) For the first question, whether to authorize an increase  
13 in the rate of state assessment for clean water to a rate  
14 established by board resolution not to exceed the increased  
15 rate of assessment for direct use described in subsection 3,  
16 paragraph "a", subparagraph (1).

17 (2) For the second question, if the first question is  
18 approved by a majority of voters, whether to also authorize the  
19 board to increase that rate of state assessment for clean water  
20 by future resolution as provided in subsection 3, paragraph "a",  
21 subparagraph (2).

22 c. A state assessment for clean water shall not be effective  
23 if the state assessment exceeds the assessment for direct use.

24 4. a. If a majority of voters approve the first question to  
25 increase the rate of the assessment for direct use as described  
26 in subsection 3, paragraph "a", subparagraph (1), twenty-five  
27 cents shall be imposed on each head of sheep sold by a producer  
28 as effectuated by the board pursuant to [section 182.12](#).

29 b. If a majority of voters also approve increasing the  
30 rate of the state assessment for clean water as described in  
31 subsection 3, paragraph "b", subparagraph (1), the increased  
32 rate shall be imposed on each head of sheep sold by a producer  
33 as effectuated by the board pursuant to [section 182.12](#).

34 5. a. If a majority of voters approve both the first and  
35 second questions to increase the rate of the assessment for

1 direct use under subsection 3, paragraph "a", subparagraphs (1)  
2 and (2), all of the following apply:

3 ~~a. (1) Twenty-five~~ The rate of the assessment for direct  
4 use shall equal twenty-five cents shall be imposed on each  
5 head of sheep sold by a producer as effectuated by the board  
6 pursuant to ~~section 182.12.~~

7 ~~b. (2)~~ The board may adopt one or more resolutions to  
8 further impose an increased rate of assessment rate for direct  
9 use.

10 b. If a majority of voters also approve increasing the  
11 rate of state assessment for clean water as described in  
12 subsection 3, paragraph "b", subparagraphs (1) and (2), all of  
13 the following shall apply:

14 (1) The rate of the state assessment for clean water shall  
15 equal the increase described in subsection 3, paragraph "b",  
16 subparagraph (1), imposed on each head of sheep sold by a  
17 producer.

18 (2) The board may adopt one or more resolutions to further  
19 impose an increased rate of state assessment for clean water  
20 so long as the rate does not exceed the rate of the assessment  
21 for direct use.

22 c. The increased ~~assessment rate of the assessment for~~  
23 direct use or the increased rate of the state assessment for  
24 clean water shall be imposed on each head of sheep sold by  
25 a producer as effectuated by the board pursuant to section  
26 182.12. The board shall comply with all of the following:

27 (1) The board must wait three or more years from the  
28 effective date of the previous action imposing an increase in  
29 the rate of the assessment for direct use in order to adopt  
30 a resolution. For the first increase, the effective date is  
31 the date of the special referendum to increase the rate of  
32 the assessment. For any subsequent increase in the rate of  
33 assessment, the effective date is the date that the board last  
34 adopted a resolution imposing an increased rate as provided in  
35 this paragraph ~~"b"~~ subsection.

1     (2) The board must wait three or more years from the  
2 effective date of the previous action imposing an increase in  
3 the rate of the state assessment for clean water in order to  
4 adopt a resolution. For the first increase, the effective date  
5 is the date of the special referendum to increase the rate  
6 of the state assessment for clean water. For any subsequent  
7 increase, the effective date is the date that the board last  
8 adopted a resolution imposing an increased rate as provided in  
9 this subsection.

10     ~~(2)~~ (3) The board shall not adopt a resolution until it  
11 provides notice to producers of the proposed increase in the  
12 assessment for direct use or the state assessment for clean  
13 water and an opportunity for producers to submit written or  
14 oral comments to the board regarding the proposed increase.  
15 The board may provide notice by publication in the same manner  
16 as provided in [section 182.3](#), publication on its internet  
17 site, mail bearing a United States postal service postmark,  
18 electronic transmission, or hand-delivery.

19     ~~(3)~~ (4) (a) The increase in the assessment rate of the  
20 assessment for direct use imposed by a resolution adopted by  
21 the board ~~must~~ shall equal five cents. However, the ~~assessment~~  
22 rate of the assessment for direct use imposed by a resolution  
23 of the board shall not equal more than fifty cents.

24     (b) The increase in the rate of the state assessment  
25 for clean water imposed by resolution adopted by the board  
26 shall not exceed five cents. However, the rate of the state  
27 assessment for clean water imposed by resolution of the board  
28 shall not equal more than fifty cents.

29     6. *a.* If a majority of voters do not authorize increasing  
30 the rate of the assessment rate for direct use pursuant to a  
31 special referendum conducted ~~pursuant to~~ under [this section](#),  
32 the ~~assessment~~ rate for the assessment for direct use shall be  
33 the same as provided in [subsection 1](#), paragraph "a".

34     *b.* If a majority of voters do not authorize increasing the  
35 rate of the assessment for direct use pursuant to a special

1 referendum conducted under this section, the rate for the state  
2 assessment for clean water shall be the same as provided in  
3 subsection 1, paragraph "b".

4 ~~b.~~ 7. Not more than one special referendum to establish an  
5 assessment for direct use or to establish a state assessment  
6 for clean water shall be conducted pursuant to this section.

7 Sec. 43. Section 182.14, Code 2016, is amended to read as  
8 follows:

9 **182.14 Assessment Assessments.**

10 1. An assessment for direct use or a state assessment for  
11 clean water provided in this chapter shall be imposed on the  
12 producer as follows:

13 a. If the producer sells wool or sheep to the first  
14 purchaser within this state, the following shall apply:

15 (1) If the sale occurs at a concentration point, the  
16 assessment shall be imposed at the time of delivery. The first  
17 purchaser shall deduct the assessment or state assessment from  
18 the price paid to the producer at the time of sale.

19 (2) If the sale does not occur at a concentration point,  
20 the producer shall deduct the assessment or state assessment  
21 from the amount received from the sale and shall forward the  
22 amount deducted to the board within thirty days following each  
23 calendar quarter.

24 b. If the producer sells, ships, or otherwise disposes of  
25 wool or sheep to any person outside this state, the producer  
26 shall deduct the assessment or state assessment from the amount  
27 received from the sale and shall forward the amount deducted  
28 to the board.

29 2. The assessment for direct use or the state assessment  
30 for clean water imposed by this section shall be remitted to  
31 the board not later than thirty days following each calendar  
32 quarter during which the assessment amount or state assessment  
33 amount was deducted.

34 Sec. 44. Section 182.15, subsection 1, paragraph e, Code  
35 2016, is amended to read as follows:



1 e. The rate of withholding and the total amount of the  
2 assessment for direct use and the state assessment for  
3 clean water withheld. The board may require the invoice to  
4 separately indicate the amount withheld for the assessment for  
5 direct use and the state assessment for clean water.

6 Sec. 45. Section 182.16, Code 2016, is amended to read as  
7 follows:

8 **182.16 ~~Deposit and disbursement~~ Administration of funds**  
9 **moneys.**

10 1. The board shall deposit ~~amounts~~ moneys collected from the  
11 assessment for direct use imposed pursuant to section 182.14 in  
12 an account established pursuant to section 182.12. Expenses  
13 and disbursements incurred and made pursuant to this chapter  
14 shall be made by voucher, draft, or check bearing the signature  
15 of a person designated by majority vote of the board.

16 2. The board may deposit moneys collected from the state  
17 assessment for clean water in a qualified financial institution  
18 until transferred to the clean water fund created in section  
19 466B.51. If the state assessment for clean water is terminated  
20 as provided in section 182.4, the remaining moneys collected  
21 from that state assessment shall be immediately transferred to  
22 the clean water fund.

23 Sec. 46. Section 182.17, Code 2016, is amended to read as  
24 follows:

25 **182.17 Refunds.**

26 1. a. A producer who has paid the assessment for direct use  
27 may, by application in writing to the board, secure a refund of  
28 all or part of the amount paid to the board.

29 b. A producer who has paid the state assessment for clean  
30 water to the board may, by application in writing to the board,  
31 secure a refund of all or part of the amount paid to the board.  
32 The board shall transmit any approved application for a refund  
33 to the division of soil conservation and water quality of the  
34 department of agriculture and land stewardship for payment.

35 2. The refund shall be payable only when the application has

1 been made to the board within sixty days after the deduction  
2 has been made by the producer or within sixty days after the  
3 remittance has been made by the first purchaser.

4 3. Each application for refund by a producer shall have  
5 an attached proof indicating that the assessment for direct  
6 use was paid. If a state assessment for clean water is  
7 imposed, the attached proof shall also indicate that the state  
8 assessment has also been paid. The attached proof of the  
9 assessment paid may be in the form of a duplicate or certified  
10 copy of the purchase invoice by the purchaser.

11 4. The application shall allow the applicant to elect  
12 whether the refund is for the assessment for direct use or the  
13 state assessment for clean water or both. The board shall not  
14 approve an application unless the application indicates the  
15 election.

16 Sec. 47. Section 182.18, Code 2016, is amended to read as  
17 follows:

18 **182.18 Use of moneys.**

19 1. Moneys from the assessment for direct use collected  
20 under this chapter are subject to audit by the auditor of state  
21 and shall be used by the ~~Iowa sheep and wool promotion board~~  
22 first for the payment of collection and refund expenses, second  
23 for payment of the costs and expenses arising in connection  
24 with conducting referendums, third for the purposes identified  
25 in section 182.11, and fourth for the cost of audits for  
26 the auditor of state. Moneys of the board remaining after  
27 a special referendum is held at which a majority of the  
28 voters favor termination of the board and the assessment for  
29 direct use shall continue to be expended in accordance with  
30 this chapter until exhausted. The auditor of state may seek  
31 reimbursement for the cost of the audit.

32 2. Except as expressly provided in this chapter, moneys  
33 collected by the board from the state assessment for clean  
34 water shall not be used for any purpose other than to be  
35 transferred to the clean water fund created in section 466B.51.

1     ~~2.~~ 3. The board shall not engage in any political activity,  
2 and it shall be a condition of any allocation of funds that  
3 any organization receiving funds shall not expend the funds on  
4 political activity or on any attempt to influence legislation.

5     Sec. 48. Section 182.22, Code 2016, is amended to read as  
6 follows:

7     **182.22 Purchasers outside Iowa.**

8     The secretary may enter into arrangements with first  
9 purchasers from outside Iowa for payment of the assessment for  
10 direct use and the state assessment for clean water.

11                                   DIVISION IV

12                                   IOWA PORK PRODUCERS COUNCIL

13                                   IOWA PORK PRODUCERS ASSOCIATION

14     Sec. 49. Section 183A.1, subsection 1, Code 2016, is amended  
15 to read as follows:

16     1. "*Assessment*" means an excise tax on the sale of porcine  
17 animals ~~as provided in this chapter~~ which may include an  
18 assessment for direct use and a state assessment for clean  
19 water.

20     Sec. 50. Section 183A.1, Code 2016, is amended by adding the  
21 following new subsection:

22     NEW SUBSECTION. 4A. "*National assessment*" means an excise  
23 tax on the sale of porcine animals imposed pursuant to the Pork  
24 Promotion Act.

25     Sec. 51. Section 183A.1, subsection 7, Code 2016, is amended  
26 to read as follows:

27     7. "*Pork Promotion Act*" means the federal Pork Promotion,  
28 Research, and Consumer Information Act of 1985, 7 U.S.C. §4801  
29 et seq.

30     Sec. 52. Section 183A.5, subsection 1, paragraph i, Code  
31 2016, is amended to read as follows:

32     i. Receive, administer, disburse and account for, in  
33 addition to the ~~funds~~ moneys received from the assessment for  
34 direct use and the state assessment for clean water provided in  
35 this chapter, other ~~funds~~ moneys voluntarily contributed to the

1 council for the purpose of promoting the pork industry.

2 Sec. 53. Section 183A.5, Code 2016, is amended by adding the  
3 following new subsection:

4 NEW SUBSECTION. 4. The council shall cooperate with  
5 the division of soil conservation and water quality of the  
6 department of agriculture and land stewardship in doing all of  
7 the following:

8 a. Transferring moneys collected from the state assessment  
9 for clean water imposed as a result of a special referendum  
10 conducted pursuant to section 183A.9 to the clean water fund  
11 created in section 466B.51.

12 b. Being reimbursed for reasonable expenses incurred in  
13 conducting an initial or special referendum to establish,  
14 continue, or terminate a state assessment for clean water.

15 Sec. 54. Section 183A.6, Code 2016, is amended to read as  
16 follows:

17 **183A.6 Assessment Assessments.**

18 1. The council shall ~~make~~ impose an assessment for direct  
19 use of not less than point zero zero two nor more than point  
20 zero zero three of the gross sale price of all porcine animals.  
21 The assessment for direct use shall be point zero zero two five  
22 of the gross sale price of porcine animals until consent to  
23 an assessment has been given through the initial referendum  
24 referred to in [this chapter](#). After approval of the initial  
25 referendum, the rate of assessment for direct use shall be  
26 ~~determined~~ established by the council.

27 2. a. If an assessment for direct use is imposed under  
28 subsection 1, the council shall impose a state assessment for  
29 clean water if approved at a special referendum conducted  
30 pursuant to section 183A.9. The rate of the state assessment  
31 for clean water shall be established by the council as provided  
32 in that section.

33 b. If a national assessment is imposed under section  
34 183A.9A, the Iowa pork producers association shall impose a  
35 state assessment for clean water if approved at a special

1 referendum conducted pursuant to section 183A.9. The rate  
2 of the state assessment for clean water shall be established  
3 by the Iowa pork producers association as provided in that  
4 section.

5 3. a. The assessment for direct use and the state  
6 assessment for clean water shall be made at the time of  
7 delivery of the porcine animals for sale, and shall be deducted  
8 by the first purchaser from the price paid to the seller. The  
9 first purchaser, at the time of sale, shall make and deliver  
10 to the seller an invoice for each purchase showing the names  
11 and addresses of the seller and the first purchaser, the number  
12 and kind of porcine animals sold, the date of sale, and the  
13 assessment for direct use, and any state assessment for clean  
14 water, made on the sale. The council may require the invoice  
15 to separately indicate the amount withheld for the assessment  
16 for direct use and the state assessment for clean water.

17 b. Assessments An assessment for direct use and the state  
18 assessment for clean water shall be paid to the Iowa pork  
19 producers council or its designated agent by first purchasers  
20 at a time prescribed by the council, but not later than the  
21 last day of the month following the month in which the animals  
22 were purchased.

23 4. If a national assessment is imposed pursuant to section  
24 183A.9A, and a state assessment for clean water is imposed  
25 under section 183A.9, the Iowa pork producers association shall  
26 impose and collect the state assessment for clean water in  
27 the same manner as the assessment for direct use set forth in  
28 subsection 3. However, the Iowa pork producers association may  
29 impose and collect the state assessment for clean water based  
30 on procedures for the national assessment as set forth in the  
31 Pork Promotion Act. The invoice may correspond to any invoice  
32 required by the Pork Promotion Act.

33 Sec. 55. Section 183A.7, Code 2016, is amended to read as  
34 follows:

35 **183A.7 Administration of moneys — appropriation.**

1     1. a. Assessments An assessment for direct use imposed  
 2 under ~~this chapter~~ pursuant to section 183A.6 and paid to and  
 3 collected by the Iowa pork producers council shall be deposited  
 4 in the pork promotion fund which is established in the office  
 5 of the treasurer of state. The department of administrative  
 6 services shall transfer moneys from the pork promotion fund  
 7 to the council for deposit into an account established by the  
 8 council in a qualified financial institution. The department  
 9 shall transfer the moneys as provided in a resolution adopted  
 10 by the council. However, the department is only required to  
 11 transfer moneys once during each day and only during hours when  
 12 the offices of the state are open.

13     b. All moneys deposited in the pork promotion fund and  
 14 transferred to the council as provided in this section are  
 15 appropriated and shall be used for the administration of this  
 16 chapter and for the payment of claims based upon obligations  
 17 incurred in the performance of activities and functions set  
 18 forth in this chapter.

19     c. From the moneys collected, deposited, and transferred  
 20 to the council as provided in this chapter, the council shall  
 21 first pay the costs of referendums held pursuant to this  
 22 chapter. Of the moneys remaining, at least twenty-five percent  
 23 shall be remitted to the national pork producers council and  
 24 at least fifteen percent shall be remitted to the Iowa pork  
 25 producers association, in the proportion the committee council  
 26 determines, for use by recipients in a manner not inconsistent  
 27 with market development as defined in section 183A.1. Moneys  
 28 remaining shall be spent as found necessary by the council to  
 29 further carry out the provisions and purposes of this chapter.

30     d. ~~However, in~~ In no event shall the total expenses exceed  
 31 the total amount of moneys transferred from the pork promotion  
 32 fund for use by the council.

33     2. a. Moneys collected from a state assessment for clean  
 34 water by the council may be deposited in a qualified financial  
 35 institution and shall be transferred to the clean water fund

1 created in section 466B.51.

2 b. If a national assessment is imposed pursuant to section  
3 183A.9A, moneys from the state assessment for clean water  
4 collected by the Iowa pork producers association shall be  
5 transferred to the clean water fund created in section 466B.51.

6 c. The Iowa pork producers association shall maintain  
7 separate accounts for moneys collected from the national  
8 assessment and the state assessment for clean water.

9 d. The Iowa pork producers association shall adopt rules  
10 as necessary to administer this subsection and other sections  
11 in this chapter which directly or indirectly relate to this  
12 subsection.

13 Sec. 56. Section 183A.8, Code 2016, is amended to read as  
14 follows:

15 **183A.8 Refund of ~~assessment~~ the assessments.**

16 1. A producer from whom ~~the~~ an assessment for direct use or  
17 a state assessment for clean water has been deducted, ~~upon is~~  
18 entitled to receive a refund upon filing a written application  
19 filed with the council within thirty days after its collection,  
20 ~~shall have that amount refunded by the council.~~

21 2. a. Application If an assessment for direct use or  
22 an assessment for direct use and any state assessment for  
23 clean water are imposed, application forms shall be given by  
24 the council to each first purchaser when requested and the  
25 first purchaser shall make the applications available to any  
26 producer.

27 b. Each application for a refund by a producer shall have  
28 attached a proof of assessment for direct use deducted. If  
29 the assessment for direct use and state assessment for clean  
30 water are imposed, the attached proof shall indicate the amount  
31 of the assessment and the amount of the state assessment  
32 deducted. The proof of the assessment for direct use and any  
33 state assessment for clean water deducted shall be in the form  
34 of the original or a copy of the purchase invoice by the first  
35 purchaser. The application shall allow the applicant to elect

1 whether the refund is for the assessment for direct use or the  
2 state assessment for clean water or both. The council shall  
3 not approve an application unless the application indicates the  
4 election.

5 3. The council shall have ~~no~~ not more than thirty days from  
6 the date the application for a refund is received to remit do  
7 all of the following:

8 a. Remit the amount of the refund of an assessment for  
9 direct use to the producer.

10 b. Submit an approved application for the refund of a state  
11 assessment for clean water to the division of soil conservation  
12 and water quality of the department of agriculture and land  
13 stewardship which shall remit the amount of the refund to the  
14 producer.

15 4. If a national assessment is established pursuant to  
16 section 183.9A and a state assessment for clean water is  
17 established pursuant to section 183.9, the producer shall file  
18 a written application with the Iowa pork producers association  
19 in lieu of the council in the same manner as provided in  
20 subsection 1 and the Iowa pork producers association shall  
21 make applications available to first purchasers as provided in  
22 subsection 2. However, the Iowa pork producers association  
23 may provide for filing applications for a refund based on any  
24 applicable procedures set forth in the Pork Promotion Act. In  
25 any case, the Iowa pork producers association must transfer  
26 approved applications for refunds to the division of soil  
27 conservation and water quality of the department of agriculture  
28 and land stewardship for payment to producers in the same  
29 manner as described in subsection 3.

30 Sec. 57. Section 183A.9, Code 2016, is amended to read as  
31 follows:

32 183A.9 Referendum Initial and special referendums —  
33 assessments.

34 1. At a time designated by the council within eighteen  
35 months after the termination of the collection of assessments



1 the national assessment imposed under the Pork Promotion Act,  
2 the secretary shall conduct an initial referendum ~~under~~ to  
3 establish an Iowa pork producers council and an assessment for  
4 direct use. The referendum shall be conducted according to  
5 administrative procedures ~~prescribed~~ adopted by the department  
6 of agriculture and land stewardship.

7 2. If an assessment for direct use is established and upon  
8 receipt of a request of ten percent or more of the number  
9 of producers eligible to vote, the secretary shall conduct a  
10 special referendum to determine whether producers favor the  
11 establishment of a state assessment for clean water. The  
12 special referendum shall be conducted in the same manner as  
13 an initial referendum conducted pursuant to subsection 1.  
14 The rate of the state assessment for clean water shall be  
15 established by the Iowa pork producers council not to exceed  
16 the rate of the assessment for direct use established pursuant  
17 to an initial referendum described in section 183A.6.

18 3. Upon receipt of petition that otherwise complies with  
19 the requirements of subsection 2, the secretary may in lieu of  
20 conducting a special referendum include as part of the initial  
21 referendum a separate special question whether to establish a  
22 state assessment for clean water, if the secretary determines  
23 it to be cost-effective or the petition demands it.

24 4. Upon signing a statement certifying to the secretary  
25 that the person is a bona fide producer as defined in this  
26 chapter, each producer is entitled to one vote in each initial  
27 or special referendum. The secretary shall determine the  
28 qualification of producers under [this section](#).

29 5. The secretary shall count and tabulate the ballots  
30 filed during the initial or special referendum within thirty  
31 days of the close of the referendum. If from the tabulation  
32 the secretary determines that a majority of the total number  
33 of producers voting in the initial referendum favors the  
34 establishment of the assessment for direct use, the assessment  
35 provided for in the referendum shall be ~~levied~~ imposed. If

1 from the tabulation the secretary determines that a majority of  
2 the total number of producers voting in the initial or special  
3 referendum favors the establishment of the state assessment  
4 for clean water, the state assessment shall be imposed. The  
5 ballots cast pursuant to this section constitute complete and  
6 conclusive evidence for use in determinations made by the  
7 secretary under this chapter.

8 6. a. The secretary shall ~~hold subsequent referendums~~  
9 conduct a special referendum on request of receipt of a  
10 petition signed by ten percent or more of the number of  
11 producers eligible to vote, to determine whether the producers  
12 favor the termination or any of the following:

13 (1) The suspension of the assessment for direct use.

14 (2) The termination of the assessment for direct use and the  
15 state assessment for clean water, if established.

16 b. The secretary shall suspend or terminate ~~collection~~  
17 ~~of the assessment~~ for direct use within six months after the  
18 secretary determines that suspension or termination of the  
19 assessment for direct use is favored by a majority of the  
20 producers voting in the special referendum, and. The secretary  
21 shall terminate the assessment for direct use in an orderly  
22 manner as soon as practicable after the determination.

23 7. a. The secretary shall conduct a special referendum on  
24 receipt of a petition of producers otherwise complying with the  
25 requirements in subsection 6 to conduct a special referendum to  
26 terminate the state assessment for clean water.

27 b. Upon receipt of a petition that otherwise complies  
28 with the requirements of subsection 6, the secretary shall  
29 include as part of the special referendum conducted under that  
30 subsection a separate special question whether to terminate the  
31 state assessment for clean water, if the secretary determines  
32 the inclusion of the special question is cost-effective or the  
33 petition demands inclusion.

34 8. The secretary shall terminate the state assessment for  
35 clean water in the same manner as provided in subsection 6,

1 upon determining that the council is abolished, the assessment  
2 for direct use is not being collected, and the national  
3 assessment is not being collected.

4 Sec. 58. Section 183A.9A, Code 2016, is amended to read as  
5 follows:

6 **183A.9A Suspension during national order.**

7 1. The terms of all voting members serving on the council on  
8 January 31, 1986, terminate at the time provided in subsection  
9 2.

10 2. a. On the date of the commencement of the collection  
11 of ~~assessments~~ a national assessment under the Pork Promotion  
12 Act, the collection of the ~~assessments~~ assessment for direct  
13 use under section 183A.6 shall be suspended. The council shall  
14 continue to operate after suspension until all refunds are paid  
15 and all ~~funds~~ moneys remaining in the pork promotion fund, less  
16 a reserve for future refunds, are disbursed for the purposes  
17 enumerated in this chapter. Notwithstanding section 183A.7,  
18 the council need not retain a reserve for future referendums.  
19 Upon completion of these acts, the existence of the Iowa pork  
20 producers council is suspended. The secretary of ~~agriculture~~  
21 shall certify the suspension of the council as of a date  
22 certain to the Iowa pork producers council and the Iowa pork  
23 producers association. When the existence of the council is  
24 suspended, the terms of office of council members terminate.

25 b. On the date of the commencement of the collection of  
26 the national assessment under the Pork Promotion Act, the Iowa  
27 pork producers association shall assume collection of the state  
28 assessment for clean water under section 183A.9.

29 3. a. If the rate of the national assessment has changed,  
30 and upon receipt of a petition that otherwise complies  
31 with requirements for submitting a petition to suspend or  
32 terminate an assessment for direct use under section 183A.9,  
33 the secretary shall conduct a special referendum to determine  
34 whether to change the rate of the state assessment for  
35 clean water to a rate established by the Iowa pork producers

1 association not to exceed the rate of the national assessment.

2 b. Upon receipt of a petition that otherwise complies with  
3 requirements for submitting a petition to suspend or terminate  
4 an assessment for direct use under section 183A.9, the  
5 secretary shall include as part of a referendum to change the  
6 rate of the national assessment, a separate special question  
7 whether to change the rate of the state assessment for clean  
8 water not to exceed the change in the national assessment, if  
9 the secretary determines the inclusion of the special question  
10 complies with federal law and either it is cost-effective or  
11 the petition demands inclusion.

12 c. If the national assessment is changed, and the secretary  
13 determines that a change in the state assessment for clean  
14 water is favored by a majority of the producers voting in a  
15 special referendum or special question as part of a referendum  
16 to change the rate of the national assessment, the rate of  
17 the state assessment shall be changed on a date determined by  
18 the secretary after consultation with the Iowa pork producers  
19 association but not later than six months after the date that  
20 the special referendum or referendum was conducted.

21 ~~3.~~ 4. On the date of the termination of the collection of  
22 assessments the national assessment under the Pork Promotion  
23 Act, the period of suspension of the assessments assessment  
24 for direct use under subsection 2 terminates. The secretary  
25 shall collect moneys from the assessments assessment for direct  
26 use under section 183A.6 and the state assessment for clean  
27 water under section 183A.9 until this duty can be resumed by  
28 the reactivated council. The secretary shall deposit moneys  
29 collected from the assessment for direct use in the pork  
30 promotion fund. The secretary shall transfer moneys collected  
31 from the state assessment for clean water to the clean water  
32 fund created in section 466B.51.

33 ~~4.~~ 5. On the date of the termination of the collection of  
34 assessments the national assessment under the Pork Promotion  
35 Act, the period of suspension of the council under subsection 2

1 terminates. Within sixty days from this date, the secretary  
2 shall appoint voting members to the council. For purposes of  
3 section 183A.3, a voting member so appointed is deemed not to  
4 have served a previous consecutive term. The terms of office  
5 of voting members of the initial reactivated council shall be  
6 determined by lot, but members from the same district shall  
7 not serve the same terms. As nearly as possible one-third of  
8 the voting members shall serve for one year, one-third of the  
9 voting members shall serve for two years, and one-third of the  
10 voting members shall serve for three years. Subsequent voting  
11 members shall be appointed pursuant to [section 183A.2](#).

12 ~~5.~~ 6. The secretary shall call the first meeting of the  
13 reactivated council. Upon reactivation, the council shall  
14 reimburse the secretary for expenses incurred in carrying out  
15 the duties provided in [this section](#).

16 Sec. 59. Section 183A.9A, Code 2016, is amended by adding  
17 the following new subsections:

18 NEW SUBSECTION. 6. The state recognizes the Iowa pork  
19 producers association as a state association under the Pork  
20 Promotion Act. For purposes of this chapter, "*association*"  
21 shall include a successor state association or other state  
22 association that administers the national assessment in Iowa.

23 NEW SUBSECTION. 7. If a state assessment for clean water  
24 is established or continued pursuant to sections 183A.9 and  
25 183A.9B, the Iowa pork producers association shall administer  
26 the state assessment for the period that the Pork Promotion Act  
27 is in effect, unless the state assessment is terminated under  
28 section 183A.9.

29 NEW SUBSECTION. 8. The Iowa pork producers association  
30 shall cooperate with the division of soil conservation and  
31 water quality of the department of agriculture and land  
32 stewardship in doing all of the following:

33 *a.* Transferring moneys from the state assessment for clean  
34 water to the clean water fund created in section 466B.51.

35 *b.* Being reimbursed for reasonable expenses incurred in

1 conducting an initial or special referendum to establish,  
2 continue, or terminate a state assessment for clean water.

3 DIVISION V

4 IOWA EGG COUNCIL

5 Sec. 60. Section 184.1, subsection 1, Code 2016, is amended  
6 to read as follows:

7 1. "Assessment" means an excise tax on the sale of eggs as  
8 ~~provided in this chapter~~ which may include an assessment for  
9 direct use and a state assessment for clean water.

10 Sec. 61. Section 184.2, Code 2016, is amended to read as  
11 follows:

12 **184.2 Establishment of Iowa egg council and assessment**  
13 **assessments.**

14 1. The secretary shall call and the department shall  
15 conduct a an initial referendum upon the department's receipt  
16 of a petition for direct use which is signed by at least  
17 twenty producers requesting a an initial referendum to  
18 determine whether to establish an Iowa egg council and to  
19 ~~impose~~ establish an assessment for direct use to be imposed as  
20 provided in section 184.3.

21 2. a. If the council has been established, the secretary  
22 shall call and the department shall conduct a special  
23 referendum upon the department's receipt of a petition that  
24 otherwise complies with subsection 1 calling for a state  
25 assessment for clean water to be imposed as provided in section  
26 184.3.

27 b. Upon receipt of petition that otherwise complies with  
28 subsection 1, the secretary may in lieu of conducting a special  
29 referendum include as part of the initial referendum a separate  
30 special question whether to establish a state assessment for  
31 clean water to be imposed as provided in section 184.3, if the  
32 secretary determines the inclusion of the special question is  
33 cost-effective or the petition demands inclusion.

34 3. The initial referendum or a special referendum described  
35 in this section shall be conducted within sixty days following

1 receipt of the petition. The petitioners shall guarantee  
2 payment of the cost of the initial referendum or special  
3 referendum by providing evidence of financial security as  
4 required by the department.

5 ~~2.~~ 4. The department shall give notice of the initial  
6 referendum ~~on the question whether to establish a council and~~  
7 ~~to impose an assessment~~ or special referendum described in this  
8 section by publishing the notice for a period of not less than  
9 five days in at least one newspaper of general circulation in  
10 the state. The notice shall state the voting places, period  
11 of time for voting, and other information deemed necessary by  
12 the department. A An initial referendum or special referendum  
13 shall not be commenced until five days after the last date of  
14 publication.

15 ~~3.~~ ~~a.~~ 5. Each producer who signs a statement certifying  
16 that the producer is a bona fide producer shall be an eligible  
17 voter under this section. An eligible voter is entitled to  
18 cast one vote in each initial referendum or special referendum  
19 conducted under this section.

20 ~~b.~~ 6. At the close of the initial referendum or special  
21 referendum, the secretary shall count and tabulate the ballots  
22 cast.

23 ~~(1)~~ 7. a. If a majority of eligible voters approve  
24 establishing ~~an Iowa egg~~ a council and ~~imposing~~ an assessment  
25 for direct use, a the council and the assessment shall be  
26 established, and ~~an~~ the assessment shall be imposed, commencing  
27 not more than sixty days following the initial referendum as  
28 determined by the council and shall continue until eligible  
29 voters voting in a special referendum held conducted pursuant  
30 to section 184.5 vote to abolish the council and terminate ~~the~~  
31 ~~imposition of~~ the assessment for direct use.

32 b. If a majority of eligible voters approve establishing  
33 a state assessment for clean water, pursuant to a special  
34 referendum, the state assessment shall be imposed commencing  
35 not more than sixty days following the special referendum as

1 determined by the council. If a majority of eligible voters  
2 approve establishing a state assessment for clean water, as  
3 part of an initial referendum the state assessment shall be  
4 imposed in the same manner described in paragraph "a". The  
5 state assessment for clean water shall continue until eligible  
6 voters voting in a special referendum conducted pursuant to  
7 section 184.5 vote to do any of the following:

8 (1) Abolish the council and terminate the assessment for  
9 direct use.

10 (2) Terminate the state assessment for clean water.

11 ~~(2)~~ 8. a. If a majority of the voters do not approve  
12 establishing the council and imposing the assessment for direct  
13 use, the council and the assessment shall not be established,  
14 and an the assessment shall not be imposed, until another  
15 initial referendum is held conducted under this chapter and a  
16 majority of the eligible voters approve establishing a council  
17 and imposing the an assessment for direct use. If a an initial  
18 referendum should fail, another initial referendum to decide  
19 whether to establish a council and an assessment shall not be  
20 held conducted within at least one hundred eighty days from the  
21 date that the last initial referendum was conducted.

22 b. If a majority of the voters do not approve establishing  
23 a state assessment for clean water, the state assessment  
24 shall not be established until the question is approved at  
25 a special referendum or as part of an initial referendum  
26 conducted pursuant to this section. If a special referendum,  
27 or an initial referendum which includes the question whether  
28 to establish a state assessment for clean water, should fail,  
29 the special referendum or an initial referendum which includes  
30 the special question shall not be conducted for at least one  
31 hundred eighty days from the date that the last such special  
32 referendum or initial referendum was conducted.

33 ~~4.~~ 9. Immediately after passage of the question to  
34 establish a council and assessment for direct use at the an  
35 initial referendum, the secretary shall appoint seven members



1 to the council in accordance with section 184.6 based on  
2 nominations made by the Iowa poultry association. The Iowa  
3 poultry association shall nominate and the secretary shall  
4 appoint two members representing large producers, two members  
5 representing medium producers, and three members representing  
6 small producers. The department, in consultation with the Iowa  
7 poultry association, shall determine initial classifications  
8 for small, medium, and large producers. The secretary shall  
9 complete the appointments within thirty days following passage  
10 of the question at the initial referendum.

11 Sec. 62. Section 184.3, Code 2016, is amended to read as  
12 follows:

13 **184.3 Assessment Assessments and state assessments.**

14 1. ~~a.~~ Except as provided in ~~paragraph "b"~~ subsection 4,  
15 an assessment for direct use of two and one-half cents is  
16 imposed on each thirty dozen eggs produced in this state. The  
17 assessment for direct use shall be imposed on a producer at the  
18 time of delivery to a purchaser who shall deduct the assessment  
19 for direct use from the price paid to a producer at the time of  
20 sale.

21 2. A state assessment for clean water is imposed and  
22 deducted in the same manner as the assessment for direct use  
23 provided in subsection 1. The rate of the state assessment for  
24 clean water shall be established by the council at a rate not  
25 to exceed the rate of assessment for direct use as provided in  
26 subsection 1.

27 3. The assessment for direct use and the state assessment  
28 for clean water shall not be refundable. The assessment is for  
29 direct use and state assessment for clean water are due to be  
30 paid to the council within thirty days following each calendar  
31 quarter, as provided by the council.

32 ~~b.~~ 4. a. Upon request of the council, the secretary shall  
33 call a special referendum for producers to vote on whether to  
34 authorize an increase in the rate of assessment for direct use  
35 to an amount that is more than two and one-half cents imposed

1 on each thirty dozen eggs produced in this state.

2 b. Upon request of the council, the secretary shall call  
3 a special referendum for producers to vote on whether to  
4 authorize an increase in the state assessment for clean water  
5 as established by the council not to exceed the rate of the  
6 assessment for direct use described in paragraph "a". The  
7 secretary shall include as part of a special referendum to  
8 increase the rate of the assessment for direct use, a separate  
9 special question whether to increase the rate of the state  
10 assessment for clean water. If the secretary determines the  
11 inclusion of the special question is cost-effective or the  
12 request demands inclusion.

13 5. a. Notice of special referendum described in subsection  
14 4 shall be given and the special referendum shall be conducted  
15 in the manner provided in section 184.5.

16 b. If a majority of the producers voting approves the an  
17 increase in the rate of the assessment for direct use, the  
18 council may increase the assessment for to the amount rate  
19 approved. However, the The rate of the assessment for direct  
20 use shall not exceed fifteen cents imposed on each thirty dozen  
21 eggs produced in this state. If a majority of the producers  
22 voting approves an increase in the state assessment for  
23 clean water, the council shall increase the rate of the state  
24 assessment to a rate not to exceed the rate approved for the  
25 assessment for direct use.

26 ~~2-~~ 6. a. If the producer sells eggs to a purchaser outside  
27 the state of Iowa, the producer shall deduct the assessment for  
28 direct use from the amount received from the sale and shall  
29 forward the amount deducted to the council within thirty days  
30 following each calendar quarter.

31 b. If the producer sells eggs to a purchaser outside the  
32 state of Iowa, the producer shall deduct the state assessment  
33 for clean water in the same manner as described in paragraph  
34 "a".

35 7. If the producer and processor are the same person, then

1 that person shall pay the assessment for direct use or the  
2 state assessment for clean water to the council within thirty  
3 days following each calendar quarter.

4 ~~3.~~ 8. The council may charge interest on any amount of ~~the~~  
5 an assessment for direct use or a state assessment for clean  
6 water that is delinquent. The rate of interest shall not be  
7 more than the current rate published in the Iowa administrative  
8 bulletin by the department of revenue pursuant to section  
9 421.7. The interest amount shall be computed from the date  
10 the assessment for direct use or state assessment for clean  
11 water is delinquent, unless the council designates a later  
12 date. The interest amount shall accrue for each month in which  
13 there is delinquency calculated as provided in [section 421.7](#),  
14 and counting each fraction of a month as an entire month. The  
15 interest amount due shall become a part of the assessment for  
16 direct use or the state assessment for clean water due.

17 Sec. 63. Section 184.4, subsection 1, paragraph e, Code  
18 2016, is amended to read as follows:

19 e. The rate of withholding and the total amount of  
20 assessment for direct use and the state assessment for clean  
21 water withheld. The council may require the invoice to  
22 separately indicate the amount withheld for the assessment for  
23 direct use and for the state assessment for clean water.

24 Sec. 64. Section 184.5, Code 2016, is amended to read as  
25 follows:

26 **184.5 ~~Referendums~~ Special referendum conducted to abolish**  
27 **the council and terminate ~~imposition of the assessment or state~~**  
28 **assessment.**

29 1. A special referendum may be called to abolish the council  
30 and terminate ~~the imposition of the assessment for direct use~~  
31 established pursuant to section 184.3 and any state assessment  
32 for clean water established pursuant to that section.

33 2. a. A special referendum may be called to terminate  
34 the state assessment for clean water established pursuant to  
35 section 184.3.

1     b. The secretary shall include as part of a special  
2 referendum to abolish the council and terminate the assessment  
3 for direct use described in subsection 1, a separate special  
4 question whether to terminate the state assessment for clean  
5 water, if the secretary determines the inclusion of the special  
6 question is cost-effective or the request demands inclusion.

7     3. The secretary shall call, and the department shall  
8 conduct, the a special referendum described in subsection  
9 1 upon the department's receipt of a petition requesting  
10 the special referendum. The petition must be signed by at  
11 least twenty eligible voters or fifty percent of all eligible  
12 voters, whichever is greater. In order to be an eligible voter  
13 under this section, a producer must have paid an assessment  
14 for direct use established under section 184.3, and a state  
15 assessment for clean water if established under that section,  
16 in the year of the special referendum. The special referendum  
17 shall be conducted within sixty days following receipt of the  
18 petition. The petitioners shall guarantee payment of the cost  
19 of the special referendum by providing evidence of financial  
20 security as required by the department.

21     ~~2.~~ 4. The following procedures shall apply to a special  
22 referendum conducted pursuant to this section:

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

30     b. Upon signing a statement certifying to the secretary that  
31 the producer is an eligible voter, a producer is entitled to  
32 one vote in each special referendum conducted pursuant to this  
33 section. The department may conduct the special referendum  
34 by mail, electronic means, or a general meeting of eligible  
35 voters. The department shall conduct the special referendum

1 and count and tabulate the ballots filed during the special  
 2 referendum within thirty days following the close of the  
 3 special referendum.

4 ~~(1)~~ c. If a majority of the total number of eligible  
 5 voters who vote in the special referendum ~~approve~~ approves  
 6 the continuation of the council and the ~~imposition of the~~  
 7 assessment for direct use, the council and the imposition of  
 8 the assessment shall continue as provided in this chapter.

9 d. If a majority of eligible voters who vote in the special  
 10 referendum approves the continuation of the state assessment  
 11 for clean water, the imposition of the state assessment shall  
 12 continue for the same period as the assessment for direct use.

13 ~~(2)~~ e. If a majority of the total number of eligible  
 14 voters who vote in the special referendum ~~held pursuant to~~  
 15 this section do not approve continuing the council and the  
 16 ~~imposition of the~~ assessment for direct use, the secretary  
 17 shall terminate ~~the collection of the assessment~~ for direct use  
 18 established pursuant to section 184.3 and the state assessment  
 19 for clean water if established pursuant to that section, on  
 20 the first day of the year for which the referendum was to  
 21 continue. The secretary shall terminate the activities of the  
 22 council in an orderly manner as soon as practicable after the  
 23 determination is made. An additional initial referendum may be  
 24 ~~held as provided in~~ conducted under section 184.2. However,  
 25 ~~the subsequent~~ additional referendum shall not be held within  
 26 conducted for at least one hundred eighty days after the date  
 27 that the last such special referendum was conducted.

28 f. If a majority of the total number of eligible voters  
 29 who vote in the special referendum do not approve continuing  
 30 the state assessment for clean water, the secretary shall  
 31 terminate the state assessment in an orderly manner as soon as  
 32 practicable after the determination is made. An additional  
 33 special referendum or an additional initial referendum that  
 34 includes a special question to establish the state assessment  
 35 for clean water may be conducted under section 184.2. However,

1 the subsequent special referendum or initial referendum shall  
2 not be conducted for at least one hundred eighty days after  
3 the date that the last such special referendum or initial  
4 referendum was conducted.

5 Sec. 65. Section 184.10, subsection 4, Code 2016, is amended  
6 to read as follows:

7 4. Enter into arrangements for the collection of the  
8 assessment for direct use and any state assessment for clean  
9 water.

10 Sec. 66. Section 184.10, Code 2016, is amended by adding the  
11 following new subsection:

12 NEW SUBSECTION. 8. Cooperate with the division of soil  
13 conservation and water quality of the department of agriculture  
14 and land stewardship in doing all of the following:

15 a. Transferring moneys from the state assessment for clean  
16 water to the clean water fund created in section 466B.51.

17 b. Being reimbursed for reasonable expenses incurred in  
18 conducting an initial or special referendum to establish,  
19 continue, or terminate a state assessment for clean water.

20 Sec. 67. Section 184.13, Code 2016, is amended to read as  
21 follows:

22 **184.13 Administration of moneys.**

23 1. Subject to the provisions of [section 184.3](#), the  
24 ~~assessment imposed by [this chapter](#)~~ for direct use established  
25 pursuant to section 184.3, and the state assessment for  
26 clean water if established pursuant to that section, shall  
27 be remitted by the purchaser to the council not later than  
28 thirty days following each calendar quarter during which the  
29 assessment was collected.

30 2. ~~Amounts~~ Moneys collected from the assessment for direct  
31 use shall be deposited in the office of the treasurer of  
32 state in a separate fund to be known as the Iowa egg fund.  
33 The department of administrative services shall transfer  
34 moneys from the fund to the council for deposit into an  
35 account established by the council in a qualified financial

1 institution. 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 each  
4 day and only during hours when the offices of the state are  
5 open.

6 3. Moneys collected from a state assessment for clean  
7 water by the council may be deposited in a qualified financial  
8 institution and shall be transferred to the clean water fund  
9 created in section 466B.51.

10 Sec. 68. Section 184.14, Code 2016, is amended to read as  
11 follows:

12 **184.14 Use of moneys — appropriation — audit.**

13 1. All moneys deposited in the Iowa egg fund and transferred  
14 to the council as provided in [section 184.13](#) are appropriated  
15 and shall be used for the administration of [this chapter](#) and  
16 for the payment of claims based upon obligations incurred in  
17 the performance of activities and functions set forth in this  
18 chapter.

19 2. a. Moneys collected, deposited in the fund, and  
20 transferred to the council as provided in [this chapter](#) are  
21 subject to audit by the auditor of state. The auditor of state  
22 may seek reimbursement for the cost of the audit. The moneys  
23 transferred to the council shall be used by the council first  
24 for the payment of collection expenses, second for payment of  
25 the costs and expenses arising in connection with conducting  
26 referendums, third to perform the functions and carry out the  
27 duties of the council as provided in [this chapter](#), and fourth  
28 for the cost of audits by the auditor of state.

29 b. Moneys The moneys remaining after the council is  
30 abolished and the imposition of ~~an~~ the assessment for direct  
31 use imposed pursuant to section 184.3 is terminated pursuant to  
32 a special referendum conducted pursuant to [section 184.5](#) shall  
33 continue to be expended in accordance with [this chapter](#) until  
34 exhausted.

35 3. If the council is abolished and the assessment for direct

1 use is terminated pursuant to a special referendum conducted  
2 under section 184.5, remaining moneys collected from the state  
3 assessment for clean water shall be transferred to the clean  
4 water fund created in section 466B.51. If the state assessment  
5 for clean water is terminated pursuant to a special referendum  
6 conducted under that section, remaining moneys collected from  
7 the state assessment shall be transferred to the clean water  
8 fund created in section 466B.51.

9 4. Except as expressly provided in this chapter, moneys  
10 collected from a state assessment for clean water shall not be  
11 used for any purpose other than to be transferred to the clean  
12 water fund created in section 466B.51.

13 Sec. 69. Section 184.18, Code 2016, is amended to read as  
14 follows:

15 **184.18 Purchasers outside Iowa.**

16 The secretary may enter into arrangements with purchasers  
17 from outside Iowa for payment of the assessment for direct use  
18 and the state assessment for clean water.

19 DIVISION VI

20 IOWA TURKEY MARKETING COUNCIL

21 Sec. 70. Section 184A.1, Code 2016, is amended by adding the  
22 following new subsection:

23 NEW SUBSECTION. 1A. *"Assessment"* means an excise tax  
24 imposed on the sale of turkeys which may include an assessment  
25 for direct use and a state assessment for clean water.

26 Sec. 71. Section 184A.1A, Code 2016, is amended to read as  
27 follows:

28 ~~184A.1A Referendum conducted to establish an Iowa turkey~~  
29 ~~marketing council and impose an assessment~~ Referendums and  
30 assessments.

31 1. The department shall call and conduct a an initial  
32 referendum upon the department's receipt of a petition which  
33 is signed by at least twenty eligible voters requesting a  
34 an initial referendum to determine whether to establish an  
35 Iowa turkey marketing council as provided in section 184A.1B



1 and ~~impose~~ establish an assessment for direct use imposed as  
2 provided in section 184A.2.

3 2. If a council is established, and upon receipt of a  
4 petition that otherwise complies with the requirements of  
5 subsection 1, the department shall call and conduct a special  
6 referendum to establish a state assessment for clean water as  
7 provided in section 184A.2.

8 3. Upon receipt of a petition that otherwise complies  
9 with the requirements of subsection 1, the secretary shall  
10 include as part of the initial referendum a separate special  
11 question whether to establish a state assessment for clean  
12 water described in subsection 2, if the secretary determines  
13 the inclusion of the special question is cost-effective or the  
14 petition demands inclusion.

15 4. In order to be an eligible voter under this section,  
16 a petitioner must be a qualified producer. The initial or  
17 special referendum shall be conducted by election within sixty  
18 days following receipt of the petition. The petitioners shall  
19 guarantee payment of the cost of the referendum by providing  
20 evidence of financial security as required by the department.

21 ~~2.~~ 5. The department shall give notice of ~~the~~ an initial  
22 referendum ~~on the question whether to establish a council and~~  
23 ~~to impose an assessment or special referendum~~ by publishing  
24 the notice for a period of not less than five days in at least  
25 one newspaper of general circulation in the state, and for  
26 a similar period in other newspapers as prescribed by the  
27 department. The notice shall state the voting places, period  
28 of time for voting, the manner of voting, the amount of the  
29 assessment ~~for direct use or the amount of the state assessment~~  
30 for clean water, and other information deemed necessary by the  
31 department. A referendum or special referendum shall not be  
32 commenced until five days after the last date of publication.

33 ~~3.-a.~~ 6. 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 initial referendum  
 2 or special referendum conducted under this section. The  
 3 department may conduct the initial referendum or special  
 4 referendum by mail, electronic means, or a general meeting of  
 5 eligible voters.

6 ~~b.~~ 7. At the close of the initial referendum or special  
 7 referendum, the department shall count and tabulate the ballots  
 8 cast.

9 ~~(1)~~ 8. a. If a majority of eligible voters who vote in  
 10 ~~the~~ an initial referendum approve establishing the council and  
 11 ~~imposing~~ an assessment for direct use under section 184A.2, a  
 12 council and the assessment shall be established, and ~~an~~ the  
 13 assessment shall be imposed commencing not more than sixty days  
 14 following the initial referendum as determined by the council.  
 15 The council and assessment for direct use shall continue for  
 16 five years as provided in section 184A.12.

17 b. If a majority of eligible voters who vote in a special  
 18 referendum approve establishing a state assessment for clean  
 19 water, the state assessment shall be imposed commencing not  
 20 more than sixty days following the special referendum as  
 21 determined by the council.

22 ~~(2)~~ c. If a majority of eligible voters who vote in ~~the~~ an  
 23 initial referendum do not approve establishing the council and  
 24 ~~imposing the~~ an assessment for direct use, the council shall  
 25 not be established and an assessment shall not be established  
 26 and imposed until another initial referendum is ~~held~~ conducted  
 27 under this section and a majority of the eligible voters voting  
 28 approve establishing a council and ~~imposing the~~ an assessment  
 29 for direct use. If a an initial referendum should fail,  
 30 another initial referendum shall not be ~~held within~~ conducted  
 31 for at least one hundred eighty days from the date of the last  
 32 such initial referendum.

33 d. If a majority of the voters do not approve establishing  
 34 a state assessment for clean water, the state assessment shall  
 35 not be established and imposed until the question is approved

1 at a special referendum or as part of an initial referendum  
2 conducted pursuant to this section. If a special referendum  
3 or an initial referendum which includes the question whether  
4 to establish a state assessment for clean water should fail,  
5 the special referendum or an initial referendum which includes  
6 the question shall not be conducted for at least one hundred  
7 eighty days from the date of the last such special referendum  
8 or initial referendum which included the special question.

9 ~~4.~~ 9. Within thirty days after approval at the initial  
10 referendum to establish a council and ~~to impose~~ an assessment  
11 for direct use, the department shall organize the council as  
12 provided in [section 184A.1B](#).

13 Sec. 72. Section 184A.1C, subsection 4, Code 2016, is  
14 amended to read as follows:

15 4. Enter into arrangements for the collection, ~~and deposit,~~  
16 and use of the assessment for direct use or the collection,  
17 deposit, and transfer of the state assessment for clean water.

18 Sec. 73. Section 184A.1C, Code 2016, is amended by adding  
19 the following new subsection:

20 NEW SUBSECTION. 7. Cooperate with the division of soil  
21 conservation and water quality of the department of agriculture  
22 and land stewardship in doing all of the following:

23 a. Transferring moneys collected from the state assessment  
24 for clean water to the clean water fund created in section  
25 466B.51.

26 b. Being reimbursed for reasonable expenses incurred in  
27 conducting an initial or special referendum to establish,  
28 continue, or terminate a state assessment for clean water.

29 Sec. 74. Section 184A.2, Code 2016, is amended to read as  
30 follows:

31 **184A.2 Assessment Assessments — direct use — clean water.**

32 1. If an assessment for direct use or a state assessment for  
33 clean water is approved by a majority of the eligible voters  
34 voting at a an initial referendum or special referendum as  
35 provided in [section 184A.1A](#) or [184A.12](#), all of the following

1 shall apply:

2 *a.* The assessment for direct use or the state assessment  
3 for clean water shall be imposed on each turkey delivered for  
4 processing.

5 *b.* The council shall establish a rate of the assessment  
6 for direct use and the state assessment for clean water  
7 quality for each turkey delivered for processing. The  
8 council may establish different rates based on attributes  
9 or characteristics of turkeys. However, a rate shall not  
10 be more than three cents for each turkey delivered for  
11 processing. The rate of the state assessment for clean water  
12 shall be established by the council at a rate not to exceed  
13 the assessment for direct use in effect when the referendum  
14 establishing the state assessment passes.

15 *c.* The assessment for direct use or the state assessment  
16 for clean water shall be imposed on the producer and collected  
17 at the time of delivery of a turkey to the processor. The  
18 assessment for direct use and the state assessment for clean  
19 water shall be deducted by the processor at the time of  
20 delivery from the price paid to the producer at the time of the  
21 sale to the processor. A processor shall remit ~~assessments~~  
22 moneys collected from the assessment for direct use or  
23 the state assessment for clean water to the council on a  
24 monthly basis as provided by the council. The council shall  
25 deposit the remitted ~~assessments~~ in moneys collected from the  
26 assessment for direct use to the Iowa turkey fund as provided  
27 in [section 184A.4](#). The council shall transmit moneys collected  
28 from the state assessment for clean water to the clean water  
29 fund created in section 466B.51.

30 2. The council may enter into agreements with processors  
31 from outside this state for the payment of the assessment for  
32 direct use and the state assessment for clean water.

33 3. *a.* The council shall provide for a refund of an  
34 assessment for direct use, and of a state assessment for  
35 clean water if established, according to rules adopted by the

1 council.

2 b. The council shall publish and disseminate applications  
3 for refunds. An application shall allow the applicant to elect  
4 whether the refund is for the assessment for direct use or a  
5 state assessment for clean water or both. The council shall  
6 not approve an application unless the application indicates the  
7 election.

8 c. The council shall transmit any approved application for a  
9 refund of the state assessment for clean water to the division  
10 of soil conservation and water quality of the department of  
11 agriculture and land stewardship which shall pay a refund to  
12 the producer in the same manner as the council pays a refund to  
13 the producer under paragraph "a".

14 Sec. 75. Section 184A.3, Code 2016, is amended to read as  
15 follows:

16 **184A.3 ~~Assessment documentation~~ Documentation for assessment**  
17 **and state assessment.**

18 A processor receiving turkeys for slaughter shall do all of  
19 the following:

20 1. At the time of payment to the producer, the processor  
21 shall sign and submit a receipt to the producer which includes  
22 the rate of the assessment for direct use imposed and the  
23 rate of the state assessment for clean water imposed and the  
24 amount of the assessment and state assessment for all turkeys  
25 delivered for processing.

26 2. Within a period established by rules adopted by the  
27 council, the processor shall regularly sign and submit to the  
28 council an invoice or other records required by the council to  
29 expedite collection of the assessment for direct use and the  
30 state assessment for clean water. The council may require that  
31 the processor submit a separate invoice for each purchase. The  
32 invoice shall be legibly printed and shall not be altered. An  
33 invoice shall include all of the following:

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

1     *b.* The name and address of the processor.

2     *c.* The number of turkeys sold.

3     *d.* The date of the delivery.

4     3. The council may require the invoice to separately  
5 indicate the amount withheld for the assessment for direct use  
6 and the state assessment for clean water.

7     Sec. 76. Section 184A.4, Code 2016, is amended to read as  
8 follows:

9     **184A.4 Administration of moneys.**

10     1. *a.* ~~The assessments~~ Moneys from the assessment for direct  
11 use collected by the council as provided in [section 184A.2](#)  
12 shall be deposited in the office of the treasurer of state in  
13 a special fund known as the Iowa turkey fund. The department  
14 of administrative services shall transfer moneys from the  
15 fund to the council for deposit into the turkey council  
16 account established by the council pursuant to [this section](#).  
17 The department shall transfer the moneys as provided in a  
18 resolution adopted by the council. However, the department is  
19 only required to transfer moneys once during each day and only  
20 during hours when the offices of the state are open.

21     ~~2.~~ *b.* The council shall establish a turkey council  
22 account in a qualified financial institution. The council  
23 shall provide for the deposit of all of the following into the  
24 account:

25     ~~*a.*~~ (1) The assessment for direct use collected, deposited  
26 in the Iowa turkey fund, and transferred to the council as  
27 provided in [this section](#).

28     ~~*b.*~~ (2) Moneys, other than ~~assessments~~ moneys collected from  
29 the state assessment for clean water, but including moneys in  
30 the form of gifts, rents, royalties, or license fees received  
31 by the council pursuant to [section 184A.1C](#).

32     2. Except as expressly provided in this chapter, moneys  
33 collected from the state assessment for clean water under this  
34 section shall not be used for any purpose other than to be  
35 transferred to the clean water fund created in section 466B.51.

1     Sec. 77. Section 184A.6, Code 2016, is amended to read as  
2 follows:

3     **184A.6 Use of moneys in the turkey council account.**

4     1. All moneys deposited in the turkey council account  
5 pursuant to [section 184A.4](#) shall be used by the council for  
6 purposes of administering [this chapter](#).

7     2. The council shall expend moneys ~~from~~ deposited in the  
8 turkey council account first for the payment of expenses for  
9 the collection of ~~assessments~~ moneys from the assessment for  
10 direct use and the state assessment for clean water, second  
11 for the payment of expenses related to conducting a special  
12 referendum ~~as provided in~~ conducted under [section 184A.12](#),  
13 and third for the cost of performing audits by the auditor of  
14 state as required in [section 184A.9](#). The council shall expend  
15 remaining moneys for market development, producer education,  
16 and the payment of refunds to producers as provided in this  
17 chapter.

18     Sec. 78. Section 184A.10, Code 2016, is amended to read as  
19 follows:

20     **184A.10 Referendum Referendums.**

21     Upon receipt of a petition signed by at least twenty-five  
22 producers requesting an initial referendum ~~election~~ to  
23 determine whether to impose the fee assessment for direct use  
24 as provided in [section 184A.2](#) the secretary shall call and  
25 conduct an initial referendum.

26     Sec. 79. Section 184A.12, Code 2016, is amended to read as  
27 follows:

28     **184A.12 Referendum Special referendum conducted to continue**  
29 **the council and ~~the imposition of the assessment~~ establishment**  
30 **of assessments.**

31     1. The council shall call for a special referendum to  
32 continue the council established pursuant to [section 184A.1A](#),  
33 and to continue the assessment for direct use established  
34 pursuant to [section 184A.2](#).

35     2. The council shall call for a special referendum to

1 continue the state assessment for clean water if established  
2 pursuant to section 184A.1A. The council may include as  
3 part of the special referendum to continue the council and  
4 the assessment for direct use under subsection 1, a separate  
5 special question whether to continue the state assessment for  
6 clean water.

7 3. The council shall call and conduct ~~the~~ a special  
8 referendum ~~by election~~ as provided in this section. The  
9 department shall oversee the conduct of the special referendum.  
10 The special referendum shall be conducted in the fifth year  
11 following the initial referendum establishing the council and  
12 the assessment for direct use as provided in section 184A.10.

13 2. ~~4.~~ The following procedures shall apply to a special  
14 referendum conducted pursuant to this section:

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

23 b. Upon signing a statement certifying to the council that  
24 a producer is an eligible voter, the producer is entitled to  
25 one vote in each special referendum conducted pursuant to  
26 this section. In order to be an eligible voter under this  
27 section, a producer must be a qualified producer who paid an  
28 the assessment for direct use and the state assessment for  
29 clean water, if established, in the year in which the special  
30 referendum is held conducted. The council may conduct the  
31 special referendum by mail, electronic means, or a general  
32 meeting of eligible voters. The council shall conduct the  
33 special referendum and count and tabulate the ballots filed  
34 during the special referendum within thirty days following the  
35 close of the special referendum.



1     ~~(1)~~ c. If a majority of eligible voters who vote in the  
2 special referendum approves the continuation of continuing the  
3 council and the imposition of the assessment for direct use,  
4 the council and the imposition of the assessment shall continue  
5 as provided in [this chapter](#).

6     d. If a majority of eligible voters who vote in the special  
7 referendum approves continuing the state assessment for clean  
8 water, the imposition of the state assessment shall continue  
9 for the same period as the assessment for direct use.

10    ~~(2)~~ e. If a majority of eligible voters who vote in the  
11 special referendum does not approve continuing the council and  
12 the imposition of the assessment for direct use, the department  
13 shall terminate the collection of the assessment for direct  
14 use and the state assessment for clean water if established.  
15 The termination shall occur on the first day of the year for  
16 which the special referendum was to continue. The department  
17 shall terminate the activities of the council in an orderly  
18 manner as soon as practicable after the date that the special  
19 referendum was conducted. A subsequent initial referendum may  
20 be held conducted as provided in [section 184A.1A](#). However,  
21 the subsequent initial referendum shall not be held within  
22 conducted for at least one hundred eighty days from the date of  
23 that the last special referendum was conducted.

24    f. If a majority of eligible voters who vote in the special  
25 referendum does not approve continuing the state assessment  
26 for clean water, the department shall terminate the state  
27 assessment in the same manner as described in paragraph "e". A  
28 subsequent special referendum to establish a state assessment  
29 for clean water may be conducted as provided in section  
30 184A.1A. However, the subsequent special referendum shall not  
31 be conducted within one hundred eighty days from the date that  
32 the last special referendum was conducted.

33    Sec. 80. Section 184A.12A, Code 2016, is amended to read as  
34 follows:

35    **184A.12A Referendum Special referendum conducted to abolish**

1 ~~the council and terminate the imposition of the assessment~~  
2 assessments.

3 1. ~~A~~ The department may call and conduct a special  
4 referendum ~~may be called~~ to abolish the council established  
5 pursuant to ~~sections~~ [section 184A.1A](#) and ~~184A.1B~~, and, to  
6 terminate the ~~imposition of the assessment~~ for direct use  
7 established pursuant to [section 184A.2](#), and to terminate the  
8 state assessment for clean water established pursuant to  
9 section 184A.2.

10 2. a. The department shall call and conduct, as provided  
11 in subsection 3, a special referendum to terminate the state  
12 assessment for clean water established pursuant to section  
13 184A.2.

14 b. The department shall include as part of a special  
15 referendum to continue the council and the assessment for  
16 direct use conducted under subsection 1, a separate special  
17 question to continue the state assessment for clean water, if  
18 the department determines the inclusion of the special question  
19 is cost-effective or a petition described in subsection 3  
20 demands inclusion.

21 3. The department shall call and conduct the special  
22 referendum upon the department's receipt of a petition  
23 requesting the special referendum or the inclusion of a special  
24 question as described in this section. The petition must be  
25 signed by at least twenty eligible voters or fifty percent of  
26 all eligible voters, whichever is greater. In order to be  
27 an eligible voter under [this section](#), a producer must be a  
28 qualified producer who paid an the assessment for direct use  
29 and the state assessment for clean water, if established, in  
30 the year in which the special referendum is ~~held~~ conducted.  
31 The special referendum shall be conducted by election within  
32 sixty days following receipt of the petition. The petitioners  
33 shall guarantee payment of the cost of the special referendum  
34 by providing evidence of financial security as required by the  
35 department.

1     ~~2.~~ 4. The following procedures shall apply to a special  
2 referendum conducted pursuant to this section:

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

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

21    ~~(1)~~ c. If a majority of eligible voters who vote in the  
22 special referendum approves the continuation of the council and  
23 ~~the imposition of the assessment for direct use,~~ the council  
24 and ~~the imposition of the assessment~~ shall continue as provided  
25 in this chapter.

26    d. If a majority of eligible voters who vote in the special  
27 referendum approves the continuation of the state assessment  
28 for clean water, the state assessment shall continue for the  
29 same period as the assessment for direct use.

30    ~~(2)~~ e. If a majority of eligible voters who vote in the  
31 special referendum does not approve continuing the council and  
32 ~~the imposition of the assessment for direct use,~~ the department  
33 shall terminate the collection of the assessment for direct use  
34 on the first day of the year for which the special referendum  
35 was to continue. The department shall terminate the activities

1 of the council in an orderly manner as soon as practicable  
2 after the special referendum. A subsequent initial referendum  
3 may be ~~held~~ conducted as provided in section 184A.1A. However,  
4 the subsequent initial referendum shall not be ~~held within~~  
5 conducted for at least one hundred eighty days from the date of  
6 that the last special referendum was conducted.

7 f. If a majority of eligible voters who vote in the special  
8 referendum does not approve continuing the state assessment  
9 for clean water, the department shall terminate the collection  
10 of the state assessment in the same manner as described in  
11 paragraph "e". A subsequent special referendum to establish a  
12 state assessment for clean water may be called and conducted  
13 under section 184A.1A, or a special question to establish the  
14 state assessment and included as part of a subsequent initial  
15 referendum may be called and conducted under that section.  
16 However, the subsequent special referendum or subsequent  
17 initial referendum that includes the special question shall  
18 not be conducted for at least one hundred eighty days from the  
19 date that the last special referendum terminating the state  
20 assessment was conducted.

21 DIVISION VII

22 IOWA SOYBEAN ASSOCIATION

23 Sec. 81. Section 185.1, subsection 17, Code 2016, is amended  
24 to read as follows:

25 17. "*State assessment*" or "*assessment*" means an excise tax  
26 on each bushel of soybeans marketed in this state which is  
27 imposed pursuant to a any of the following:

28 a. A state assessment for direct use pursuant to a  
29 promotional order as provided in [this chapter](#).

30 b. A state assessment for clean water.

31 Sec. 82. Section 185.1A, Code 2016, is amended to read as  
32 follows:

33 **185.1A Recognition of Iowa soybean association.**

34 1. The corporation known as the Iowa soybean association  
35 incorporated under the laws of this state shall be entitled

1 to the benefits of **this chapter** by filing each year with the  
2 secretary a verified proof of its organization, the names  
3 of its officers, and any other information required by the  
4 secretary.

5 2. The Iowa soybean association is a qualified state soybean  
6 board for purposes of administering a national assessment.  
7 For purposes of this chapter, "association" shall include a  
8 successor qualified state soybean board or other entity that is  
9 recognized by federal law to administer the national assessment  
10 in Iowa.

11 Sec. 83. Section 185.2, Code 2016, is amended to read as  
12 follows:

13 **185.2 ~~Petition for election~~ Referendums.**

14 1. Upon receipt of a petition signed by at least five  
15 hundred producers requesting an initial referendum ~~election~~  
16 to determine whether a promotional order shall be placed in  
17 effect, the secretary shall call ~~an~~ the initial referendum  
18 ~~election~~ to be conducted within sixty days following receipt  
19 of the petition. Producers shall vote by written ballot in  
20 the manner provided by **this chapter** for an initial referendum  
21 elections.

22 2. a. If a promotional order is placed into effect, and  
23 upon receipt of a petition that otherwise complies with the  
24 requirements of this section, the secretary shall conduct a  
25 special referendum to establish a state assessment for clean  
26 water. The special referendum shall be conducted in the same  
27 manner as an initial referendum described in subsection 1.

28 b. Upon receipt of a petition that otherwise complies with  
29 the requirements of this section, the secretary shall include  
30 as part of the initial referendum a separate special question  
31 whether to establish and impose a state assessment for clean  
32 water described in this section, if the secretary determines  
33 the inclusion of the special question is cost-effective or the  
34 petition demands inclusion.

35 Sec. 84. Section 185.11, Code 2016, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 5. Cooperate with the division of soil  
3 conservation and water quality of the department of agriculture  
4 and land stewardship in doing all of the following:

5 a. Transferring moneys collected from the state assessment  
6 for clean water to the clean water fund created in section  
7 466B.51.

8 b. Being reimbursed for reasonable expenses incurred in  
9 conducting an initial or special referendum to establish,  
10 continue, or terminate a state assessment for clean water.

11 Sec. 85. Section 185.13, subsection 4, Code 2016, is amended  
12 to read as follows:

13 4. Enter into arrangements for collection of the state  
14 assessment for direct use and any state assessment for clean  
15 water imposed on soybeans marketed in this state.

16 Sec. 86. Section 185.16, Code 2016, is amended to read as  
17 follows:

18 **185.16 Notice of referendum.**

19 1. Notice of a referendum ~~election~~ to initiate or extend a  
20 promotional order shall be given by publication in a newspaper  
21 of general circulation in this state at least ten days prior  
22 to the date of the referendum and in any other reasonable  
23 manner as may be determined by the secretary for the initial  
24 referendum and by the board for extension of the promotional  
25 order.

26 2. Notice of a special referendum to establish or continue  
27 a state assessment for clean water shall be given in the same  
28 manner as described in subsection 1.

29 Sec. 87. Section 185.17, Code 2016, is amended to read as  
30 follows:

31 **185.17 Contents of notice.**

32 ~~The~~ A notice of referendum described in section 185.16 shall  
33 set forth the period of time for voting, voting places and such  
34 other information as the secretary may deem necessary in an  
35 initial referendum or special referendum. The board shall make

1 such determinations in any subsequent initial referendum or  
2 special referendum.

3 Sec. 88. Section 185.18, Code 2016, is amended to read as  
4 follows:

5 **185.18 Counting.**

6 At the close of a referendum voting period, the secretary  
7 shall count and tabulate the ballots cast during the ~~referendum~~  
8 period of the initial referendum or special referendum.

9 Sec. 89. Section 185.20, Code 2016, is amended to read as  
10 follows:

11 **185.20 Producers only to vote.**

12 Only producers are eligible to vote in an election for  
13 directors, ~~or a~~ an initial referendum, election or a special  
14 referendum, and only in the district in which they reside.  
15 A producer shall sign an affidavit at the time of voting  
16 certifying the producer's eligibility to vote. Each qualified  
17 producer shall be entitled to one vote.

18 Sec. 90. Section 185.21, Code 2016, is amended to read as  
19 follows:

20 **185.21 ~~Assessment~~ State assessments.**

21 1. A state assessment ~~which~~ for direct use that is adopted  
22 established upon the initiation of a promotional order shall  
23 be ~~collected~~ imposed during the effective period of the  
24 promotional order, and shall be of no force or effect upon  
25 termination of the promotional order.

26 2. a. The state assessment for direct use collected as part  
27 of a promotional order shall be paid into the soybean promotion  
28 fund established in [section 185.26](#).

29 b. The state assessment for clean water if established  
30 pursuant to section 185.2 or continued pursuant to section  
31 185.25 shall be collected by the board and may be deposited  
32 into a qualified financial institution until transferred to the  
33 clean water fund created in section 466B.51.

34 3. The rate of the state assessment for direct use  
35 established as part of promotional order shall be imposed as

1 follows:

2 *a.* If the national assessment is being collected, the rate  
3 of the state assessment for direct use shall be one-quarter of  
4 one percent of the net market price of the soybeans marketed  
5 in this state.

6 *b.* If the national assessment is not being collected, the  
7 rate of the state assessment for direct use shall be one-half  
8 of one percent of the net market price of soybeans marketed in  
9 this state.

10 4. The rate of the state assessment for clean water shall  
11 be imposed as follows:

12 *a.* If the national assessment is being collected, the rate  
13 of the state assessment for clean water shall be established  
14 by the board at a rate not to exceed the combined rate of the  
15 state assessment for direct use and the national assessment as  
16 described in subsection 3, paragraph "a".

17 *b.* If the national assessment is not being collected,  
18 the rate of the state assessment for clean water shall be  
19 established by the board at a rate not to exceed the rate of  
20 the state assessment for direct use as described in subsection  
21 3, paragraph "b".

22 Sec. 91. Section 185.22, Code 2016, is amended to read as  
23 follows:

24 **185.22 ~~Promotional order~~ Invoice.**

25 1. After a promotional order has been issued, the first  
26 purchaser at the time of payment for soybeans shall show the  
27 total amount of the state assessment for direct use, and the  
28 state assessment for clean water, deducted from the sale on the  
29 purchase invoice.

30 2. The board may require the invoice to separately indicate  
31 the amount withheld for the state assessment for direct use  
32 and the state assessment for clean water. The invoice may  
33 correspond to any invoice required to collect the national  
34 assessment.

35 Sec. 92. Section 185.23, Code 2016, is amended to read as



1 follows:

2 **185.23 Deduction of assessment.**

3 The state assessment for direct use and any state assessment  
4 for clean water shall be deducted from the purchase price of  
5 soybeans at the time of sale, and forwarded to the board by the  
6 first purchaser in the manner and at intervals determined by  
7 the board.

8 Sec. 93. Section 185.24, Code 2016, is amended to read as  
9 follows:

10 **185.24 Termination of ~~a promotional order.~~**

11 1. If a promotional order is not extended as determined  
12 by a special referendum, the secretary and the board shall  
13 terminate the promotional order in an orderly manner as soon  
14 as practicable. The termination of the promotional order  
15 shall terminate the state assessment for direct use. After  
16 all moneys collected from the state assessment for direct use  
17 are expended, the board shall remain in existence as provided  
18 in its articles of incorporation or bylaws. The directors  
19 shall no longer be elected as required in [this chapter](#). The  
20 ex officio directors shall no longer serve on the board. The  
21 board shall cease to administer [this chapter](#), and the board  
22 shall no longer carry out its duties or exercise its powers  
23 as provided in [this chapter](#). However, if a future initial  
24 referendum passes, the board shall be reorganized by the  
25 secretary and the directors then serving on the board shall be  
26 deemed to be the same directors who served on the board when  
27 the promotional order was terminated. The directors shall  
28 serve out their terms as though there had been no lapse of time  
29 between the two effective orders.

30 2. The termination of the promotional order shall terminate  
31 the state assessment for clean water. The board shall transfer  
32 any remaining moneys collected from the state assessment for  
33 clean water to the clean water fund created in section 466B.51.

34 Sec. 94. Section 185.25, Code 2016, is amended to read as  
35 follows:

1     **185.25 ~~Special referendum~~ referendums — ~~producer petition~~**  
2 **petitions.**

3     1. Upon receipt of a petition described in subsection 3,  
4 the secretary shall call a special referendum to extend the  
5 promotional order including continuing the state assessment for  
6 direct use as part of the promotional order.

7     2. a. Upon receipt of a petition described in subsection 3,  
8 the secretary shall call a special referendum to continue the  
9 state assessment for clean water.

10    b. The secretary shall include as part of the special  
11 referendum conducted under subsection 1 a separate special  
12 question whether to continue the state assessment for clean  
13 water, if the secretary determines the inclusion of the special  
14 question is cost-effective or the petition demands inclusion.

15    3. The secretary shall call a special referendum described  
16 in this section not less than one hundred fifty nor more than  
17 two hundred forty days from a four-year anniversary of the  
18 effective date of an initial promotional order upon receipt  
19 of a petition, signed within that same period by a number of  
20 producers equal to or greater than one percent of the number of  
21 producers reported in the most recent United States census of  
22 agriculture, requesting a the special referendum to determine  
23 whether to extend the promotional order, and the secretary  
24 shall call a the special referendum to be conducted not earlier  
25 than thirty days before the four-year anniversary date.

26    4. a. If the secretary determines that extension of  
27 the promotional order is not favored by a majority of the  
28 producers voting in the special referendum, the promotional  
29 order shall be terminated as provided in section 185.24. The  
30 state assessment for clean water if established shall also  
31 be terminated. If the promotional order is terminated under  
32 this paragraph, another special referendum to reestablish the  
33 promotional order shall not be held within conducted for at  
34 least one hundred eighty days after the date that the most  
35 recent special referendum was conducted.

1     b. If the secretary determines that a continuance of the  
2 state assessment for clean water is not favored by a majority  
3 of the producers voting in the special referendum, the state  
4 assessment shall be terminated as provided in section 185.24.  
5 If the state assessment for clean water is terminated under  
6 this paragraph, another special referendum establishing the  
7 state assessment or another special referendum that includes a  
8 special question to establish the state assessment shall not be  
9 conducted within one hundred eighty days after the date that  
10 the last special referendum terminating the state assessment  
11 was conducted.

12     5. A succeeding special referendum shall be called by the  
13 secretary upon the petition of a number of producers equal  
14 to or greater than one percent of the number of producers  
15 reported in the most recent United States census of agriculture  
16 requesting a the special referendum, who shall guarantee the  
17 costs of the referendum.

18     6. a. If no valid petition is received by the secretary  
19 within the time period described above in subsection 1, or if a  
20 petition is received but the special referendum to extend the  
21 promotional order passes, the promotional order shall continue  
22 in effect for four additional years from the anniversary of its  
23 effective date.

24     b. If no valid petition for a special referendum to  
25 continue the state assessment for clean water is received by  
26 the secretary within the time period described in subsection  
27 3, the state assessment shall continue in effect for four  
28 additional years from the anniversary of the effective date of  
29 the promotional order.

30     Sec. 95. NEW SECTION. 185.25A Special referendum — change  
31 in state assessment rate for clean water.

32     1. If a national assessment is imposed and upon receipt  
33 of a petition that otherwise complies with the requirements  
34 of section 185.25, the secretary shall conduct a special  
35 referendum to change the rate of the state assessment for

1 clean water established by the board at a rate not to exceed  
2 the combined rate of the national assessment and the state  
3 assessment for direct use as provided in section 185.21,  
4 subsection 3, paragraph "a". The special referendum shall be  
5 conducted in the same manner as a special referendum conducted  
6 pursuant to section 185.25. However, the special referendum  
7 may be conducted in the same manner and in conjunction with a  
8 referendum to change the rate of the national assessment, to  
9 the extent permitted by federal law.

10 2. If a national assessment is not imposed and upon receipt  
11 of a petition that otherwise complies with the requirements  
12 of section 185.25, the secretary shall conduct a special  
13 referendum to change the rate of the state assessment for clean  
14 water established by the board to a rate not to exceed the rate  
15 of the state assessment for direct use as provided in section  
16 185.21, subsection 3, paragraph "b". The special referendum  
17 shall be conducted in the same manner as a special referendum  
18 conducted pursuant to section 185.25.

19 3. If a special referendum or special question to change  
20 the rate of the state assessment for clean water does not pass,  
21 the result of the vote shall not affect the existence or period  
22 during which the state assessment is in effect.

23 Sec. 96. Section 185.26, Code 2016, is amended to read as  
24 follows:

25 **185.26 Administration of moneys.**

26 1. a. The Moneys from a state assessment for direct use  
27 imposed as part of a promotional order and collected by the  
28 board shall be deposited in a special fund known as the soybean  
29 promotion fund, in the office of the treasurer of state. The  
30 fund may also ~~contain~~ include any gifts or federal or state  
31 grant received by the board. ~~Moneys~~ The moneys collected,  
32 deposited into the fund, and transferred to the board, as  
33 provided in this chapter, shall be subject to audit by the  
34 auditor of state.

35 b. The department of administrative services shall

1 transfer moneys from the fund to the board for deposit into an  
2 account known as the soybean checkoff account which shall be  
3 established by the board in a qualified financial institution.  
4 The department shall transfer the moneys into the account as  
5 provided in a resolution adopted by the board. However, the  
6 department is only required to transfer moneys once during each  
7 day and only during hours when the offices of the state are  
8 open.

9 c. From moneys collected, deposited, and transferred to the  
10 soybean checkoff account as provided in [this section](#), the board  
11 shall first pay the costs of initial and special referendums,  
12 elections, and other expenses incurred in the administration of  
13 this chapter, before moneys may be expended to carry out the  
14 purposes of the board as provided in [section 185.11](#). The board  
15 shall strictly segregate moneys in the soybean checkoff account  
16 from all other moneys of the board. Moneys in the soybean  
17 checkoff account shall be expended by the board exclusively for  
18 carrying out the purposes of the board as provided in section  
19 185.11. The account shall be subject to audit by the auditor  
20 of state.

21 2. Moneys from a state assessment for clean water collected  
22 by the board may be deposited in a qualified financial  
23 institution and shall be transferred to the clean water fund  
24 created in section 466B.51.

25 ~~2.~~ 3. The fiscal year of the association shall commence on  
26 October 1 and end on September 30.

27 Sec. 97. Section 185.27, Code 2016, is amended to read as  
28 follows:

29 **185.27 Refund of assessment.**

30 1. a. A producer who has sold soybeans and had the state  
31 assessment for direct use deducted from the sale price may, by  
32 application in writing to the board, secure a refund in the  
33 amount deducted. The refund shall be payable only when the  
34 application is made to the board within sixty days after the  
35 deduction.

1 b. A producer who has sold soybeans and had the state  
2 assessment for clean water deducted from the sale price may,  
3 by application in writing to the board, secure a refund of the  
4 amount deducted payable by the division of soil conservation  
5 and water quality of the department of agriculture and land  
6 stewardship. The board shall forward approved applications to  
7 the division within sixty days after the deduction.

8 2. Application forms shall be given by the board to  
9 each first purchaser when requested and the first purchaser  
10 shall make the applications available to any producer. Each  
11 application for refund by a producer shall have attached  
12 thereto proof of assessment deducted. The proof of assessment  
13 may be in the form of a duplicate or certified copy of the  
14 purchase invoice by the first purchaser. ~~The board shall~~  
15 ~~have thirty days from the date the application for refund is~~  
16 ~~received to remit the refund to the producer.~~ The form shall  
17 allow the applicant to elect whether the refund is for the  
18 state assessment for direct use or for the state assessment  
19 for clean water or both. The board shall not approve an  
20 application unless the application indicates the election.

21 Sec. 98. Section 185.28, Code 2016, is amended to read as  
22 follows:

23 **185.28 Use of moneys — appropriation.**

24 1. All moneys collected, deposited, and transferred to the  
25 board as provided in [this chapter](#), are appropriated and shall  
26 be used for the administration of [this chapter](#) by the board and  
27 for the payment of claims by the board based upon obligations  
28 incurred in the performance of board activities and functions  
29 provided in [this chapter](#).

30 2. Except as expressly provided in this chapter, moneys  
31 collected from the state assessment for clean water under this  
32 section shall not be used for any purpose other than to be  
33 transferred to the clean water fund created in section 466B.51.

34 Sec. 99. Section 185.29, Code 2016, is amended to read as  
35 follows:

1     **185.29 Remission of remaining moneys.**

2     1. After the board has paid the costs of elections,  
3 referendum, necessary board expenses, and administrative costs,  
4 the remaining moneys collected, deposited in the soybean  
5 promotion fund, and transferred to the soybean checkoff account  
6 as provided in section 185.26 shall be expended by the board as  
7 is necessary to carry out its purposes as provided in section  
8 185.11.

9     2. Notwithstanding subsection 1, moneys collected from  
10 a state assessment for clean water by the board shall be  
11 transferred to the clean water fund created in section 466B.51.

12     Sec. 100. Section 185.33, Code 2016, is amended to read as  
13 follows:

14     **185.33 Report.**

15     The board shall each year prepare and submit a report  
16 summarizing the activities of the board under this chapter to  
17 the auditor of state and the secretary ~~of agriculture~~. The  
18 report shall show all income, expenses, and other relevant  
19 information concerning fees state assessments for direct use  
20 collected and expended under the provisions of this chapter.

21                                   DIVISION VIII

22                                   IOWA CORN PROMOTION BOARD

23     Sec. 101. Section 185C.1, subsection 17, Code 2016, is  
24 amended to read as follows:

25     17. "*State assessment*" means a state excise tax on each  
26 bushel of corn marketed in this state which is imposed ~~as part~~  
27 ~~of a promotional order to administer~~ this chapter pursuant to a  
28 state assessment for direct use or a state assessment for clean  
29 water.

30     Sec. 102. Section 185C.2, Code 2016, is amended to read as  
31 follows:

32     **185C.2 ~~Petition for election~~ Referendums.**

33     1. Upon receipt of a petition signed by at least five  
34 hundred producers requesting an initial referendum ~~election~~  
35 to determine whether a promotional order shall be placed in

1 effect, the secretary shall call an initial referendum ~~election~~  
2 to be conducted within sixty days following receipt of the  
3 petition. Producers shall vote by written ballot in the manner  
4 provided by this chapter for ~~referendum elections~~ referendums  
5 to approve the passage of a promotional order.

6 2. a. If a promotional order is placed into effect, and  
7 upon receipt of a petition that otherwise complies with the  
8 requirements of subsection 1, the secretary shall conduct a  
9 special referendum to establish a state assessment for clean  
10 water.

11 b. Upon receipt of a petition that otherwise complies with  
12 the requirements of subsection 1, the secretary shall include  
13 as part of the initial referendum a separate special question  
14 whether to establish a state assessment for clean water as  
15 described in this section, if the secretary determines the  
16 inclusion of the special question is cost-effective or the  
17 petition demands inclusion.

18 Sec. 103. Section 185C.3, Code 2016, is amended to read as  
19 follows:

20 **185C.3 Establishment of corn promotion board.**

21 If a majority of the producers voting in ~~the~~ an initial  
22 referendum election conducted pursuant to section 185C.2  
23 approve the passage of the promotional order, an Iowa corn  
24 promotion board shall be established.

25 Sec. 104. Section 185C.11, subsection 1, Code 2016, is  
26 amended by adding the following new paragraph:

27 NEW PARAGRAPH. j. Cooperate with the division of soil  
28 conservation and water quality of the department of agriculture  
29 and land stewardship in doing all of the following:

30 (1) Transferring moneys collected from the state assessment  
31 for clean water to the clean water fund created in section  
32 466B.51.

33 (2) Being reimbursed for reasonable expenses incurred  
34 in conducting an initial or special referendum to establish,  
35 continue, or terminate a state assessment for clean water.



1     Sec. 105. Section 185C.11A, Code 2016, is amended by adding  
2 the following new subsection:

3     NEW SUBSECTION. 5. The board shall not expend moneys  
4 collected from the state assessment for clean water to support  
5 the program.

6     Sec. 106. Section 185C.15, Code 2016, is amended to read as  
7 follows:

8     **185C.15 Term of promotional order — automatic extension.**

9     A promotional order shall be effective for four years from  
10 its effective date. Upon the date that ~~an~~ the promotional  
11 order is due to expire the order shall automatically be  
12 extended for an additional four years from the date that the  
13 order or last extension would otherwise expire, except as  
14 provided in section 185C.24. A state assessment for clean  
15 water shall continue for the same period as the promotional  
16 order unless the state assessment for clean water is terminated  
17 as provided in section 185C.24.

18     Sec. 107. Section 185C.21, Code 2016, is amended to read as  
19 follows:

20     **185C.21 State ~~assessment~~ assessments.**

21     1. The board shall determine and set the rate of the state  
22 assessment rate for direct use as part of the promotional  
23 order. State ~~assessments~~ A state assessment for direct use  
24 collected pursuant to the promotional order shall be paid  
25 into the corn promotion fund established in section 185C.26.  
26 Except as provided in ~~subsection 2~~ subsections 2 and 3, a state  
27 assessment shall not exceed one-quarter of one cent per bushel  
28 upon corn marketed in this state.

29     2. Upon request of the board, the secretary shall call  
30 a special referendum for producers to vote on whether to  
31 authorize an increase in the rate of the state assessment  
32 for direct use above one-quarter of one cent per bushel,  
33 notwithstanding subsection 1. The special referendum shall be  
34 conducted as provided in this chapter for ~~referendum elections~~  
35 referendums. However, the special referendum shall not affect

1 the existence or length of the promotional order in effect. If  
2 a majority of the producers voting in the special referendum  
3 approve the increase, the board may increase the assessment to  
4 the amount approved in the special referendum. The board shall  
5 establish the effective date of a rate change. However, the  
6 rate of a state assessment for direct use shall not exceed a  
7 scheduled maximum rate determined as follows:

8 *a.* Before September 1, 2014, one cent.

9 *b.* For each marketing year of the period beginning September  
10 1, 2014, and ending August 31, 2019, two cents.

11 *c.* For each marketing year beginning on and after September  
12 1, 2019, three cents.

13 3. The rate of the state assessment for clean water shall  
14 be established by the board not to exceed the rate of the  
15 state assessment for direct use in effect on the date that the  
16 special referendum establishing the state assessment for clean  
17 water is approved.

18 4. a. Upon request of the board, the secretary shall  
19 call a special referendum for producers to vote on whether to  
20 authorize an increase in the state assessment for clean water  
21 to be established by the board at a rate not to exceed the rate  
22 in effect under subsection 2. The special referendum shall be  
23 conducted in the same manner as provided in that subsection.

24 b. Upon request of the board, the secretary shall include  
25 as part of the special referendum conducted under subsection  
26 2 a separate special question whether to increase the rate  
27 of the state assessment for clean water to be established by  
28 the board at a rate not to exceed the rate of the proposed  
29 increased amount of the state assessment for direct use, if the  
30 secretary determines the inclusion of the special question is  
31 cost-effective or the request demands inclusion.

32 Sec. 108. Section 185C.22, Code 2016, is amended to read as  
33 follows:

34 **185C.22 State ~~assessment~~ assessments on purchase invoice.**

35 1. After a promotional order has been issued, the first

1 purchaser at the time of payment for corn shall show the  
2 total amount of state assessment for direct use and the state  
3 assessment for clean water deducted from the sale on the  
4 purchase invoice.

5 2. The board may require the invoice to separately indicate  
6 the amount withheld for the assessment for direct use and the  
7 state assessment for clean water. The invoice may correspond  
8 to any invoice required to collect the federal assessment  
9 pursuant to section 185C.25A.

10 Sec. 109. Section 185C.24, Code 2016, is amended to read as  
11 follows:

12 **185C.24 Cancellation, and suspension, and termination.**

13 1. The board shall be suspended and board operations and  
14 terms of members shall cease upon either of the following  
15 events:

16 a. The state assessment for direct use is terminated  
17 pursuant to [section 185C.25](#).

18 b. The state assessment for direct use is suspended pursuant  
19 to [section 185C.25A](#).

20 2. However, notwithstanding [subsection 1](#), the board shall  
21 continue to operate until proceeds remaining in the corn  
22 promotion fund are disbursed. Disbursement shall be made as  
23 provided for payment of moneys under [section 185C.26](#).

24 3. If a state assessment for direct use and the federal  
25 assessment is not imposed, the board shall continue to transfer  
26 remaining moneys collected from the state assessment for clean  
27 water to the clean water fund created in section 466B.51.

28 ~~3.~~ 4. The secretary shall order that the board be  
29 reconstituted upon either of the following events:

30 a. Recommencement of the promotional order, pursuant to  
31 section 185C.25.

32 b. Termination of the promotional order's suspension,  
33 pursuant to [section 185C.25A](#).

34 ~~4.~~ 5. Until the board is reconstituted under section  
35 185C.8, the secretary has the powers to perform the duties of

1 the board as provided in this chapter, including the collection  
2 of the state assessment for direct use at the rate in effect  
3 on the date when collection of the state assessment for direct  
4 use was terminated pursuant to section 185C.25. However, the  
5 secretary shall not expend ~~funds~~ moneys collected from the  
6 state assessment for direct use.

7 6. Until the board is reconstituted, the secretary may  
8 collect the state assessment for clean water imposed at  
9 the same rate when the state assessment for clean water was  
10 terminated. The secretary shall transfer the collected moneys  
11 to the clean water fund created in section 466B.51.

12 Sec. 110. Section 185C.25, Code 2016, is amended to read as  
13 follows:

14 **185C.25 Effective period of promotional order and state**  
15 **assessments — special referendums — termination.**

16 1. a. A state assessment for direct use adopted upon the  
17 initiation of a promotional order shall be collected during the  
18 effective period of the order, and shall have no effect upon  
19 termination of the promotional order.

20 b. A state assessment for clean water if established shall  
21 be collected during the effective period of the promotional  
22 order, and shall have no effect upon the termination of the  
23 promotional order. However, the state assessment for clean  
24 water shall still be collected during any period in which a  
25 federal assessment is collected, unless the state assessment is  
26 terminated under this section.

27 2. Upon adoption or extension of the promotional order, the  
28 order shall be effective for the period described in section  
29 185C.15 unless the order is terminated as provided in this  
30 section or suspended as provided in section 185C.25A.

31 ~~2.~~ 3. The secretary shall call a special referendum to  
32 terminate the promotional order including the state assessment  
33 for direct use imposed as part of the promotional order, and  
34 the state assessment for clean water if established.

35 4. a. The secretary shall call, as provided in subsection

1 5, a special referendum to terminate the state assessment for  
2 clean water if established.

3 b. The secretary shall include as part of the special  
4 referendum conducted under subsection 3, a separate special  
5 question whether to terminate the state assessment for clean  
6 water, if the secretary determines the inclusion of the  
7 special question is cost-effective or the petition described in  
8 subsection 5 demands inclusion.

9 5. The secretary shall call a special referendum under this  
10 section if all the following conditions are met:

11 a. The secretary receives a petition signed by at least five  
12 percent of the state's producers reported in the most recent  
13 United States census of agriculture.

14 b. The petition is signed by at least five percent of the  
15 state's producers residing in each of five districts according  
16 to the most recent United States census of agriculture.

17 c. The secretary receives the petition not less than one  
18 hundred fifty days from the date that the order is due to  
19 expire, but receives the petition not more than two hundred  
20 forty days before the date that the order is due to expire.

21 ~~3.~~ 6. a. The secretary shall conduct the election as  
22 provided for a special referendum to terminate the promotional  
23 order including the state assessment for direct use and the  
24 state assessment for clean water in the same manner as an  
25 initial referendum conducted under this chapter, including  
26 sections 185C.16 through 185C.20.

27 b. The secretary shall conduct the special referendum to  
28 terminate the state assessment for clean water in the same  
29 manner as an initial referendum conducted under this chapter,  
30 including sections 185C.16 through 185C.20.

31 7. a. If upon counting and tabulating the ballots, the  
32 secretary determines that a majority of voting producers favor  
33 favours termination of the state assessment for direct use, the  
34 secretary, in cooperation with the board, shall terminate the  
35 state assessment for direct use in an orderly manner as soon

1 as practicable.

2 b. If upon counting and tabulating the ballots, the  
3 secretary determines that a majority of voting producers favors  
4 termination of the state assessment for clean water, the  
5 secretary, in cooperation with the board, shall terminate the  
6 state assessment for clean water in an orderly manner as soon  
7 as practicable.

8 ~~4.~~ 8. a. If the a state assessment for direct use is  
9 terminated, another an initial referendum shall not be held  
10 conducted for at least one hundred eighty days from the date  
11 that the state assessment is terminated.

12 b. If a state assessment for clean water is terminated,  
13 another special referendum or another special referendum which  
14 includes a special question to establish a state assessment  
15 shall not be conducted within one hundred eighty days from the  
16 date that the state assessment is terminated.

17 9. A succeeding special referendum to restore the state  
18 assessment for direct use shall be called by the secretary  
19 upon receipt of a petition of at least five hundred producers  
20 requesting a the special referendum. The petitioners shall  
21 guarantee the costs of the succeeding referendum. The  
22 secretary shall conduct the election special referendum as  
23 provided for a an initial referendum under this chapter  
24 section 185C.2 not later than one hundred fifty days after  
25 the secretary receives the petition. If a referendum held  
26 conducted pursuant to this subsection is approved by producers,  
27 the promotional order shall commence no later than two hundred  
28 ten days following the date that the petition is received by  
29 the secretary.

30 10. a. A succeeding special referendum to restore the state  
31 assessment for clean water shall be called by the secretary  
32 upon petition that otherwise complies with a petition to  
33 restore the state assessment for direct use under subsection 9.  
34 The secretary shall conduct the succeeding special referendum  
35 in the same manner as a succeeding special referendum conducted

1 under that subsection. If a special referendum conducted  
2 pursuant to this paragraph is approved by producers, the state  
3 assessment for clean water shall commence not later than two  
4 hundred ten days following the date that the petition is  
5 received by the secretary.

6 b. Upon receipt of a petition that otherwise complies  
7 with a petition to restore the state assessment for direct  
8 use under subsection 9, the secretary shall include as part  
9 of the succeeding special referendum conducted under that  
10 subsection a separate special question whether to restore the  
11 state assessment for clean water, if the secretary determines  
12 the inclusion of the special question is cost-effective or the  
13 request demands inclusion.

14 Sec. 111. Section 185C.25A, Code 2016, is amended to read  
15 as follows:

16 **185C.25A Collection of federal assessment.**

17 1. a. Prior to the collection of the federal assessment,  
18 the board may approve the continued collection of the state  
19 assessment for direct use as part of the promotional order  
20 during the collection of the federal assessment.

21 b. If a federal assessment is collected, the state  
22 assessment for clean water, if established, shall continue to  
23 be imposed until terminated under section 185C.25.

24 2. If the ~~collection of~~ amount collected from the state  
25 assessment for direct use would be in addition to, and not an  
26 offset against, the ~~collection of~~ amount collected from the  
27 federal assessment, the board shall suspend the collection  
28 of the state assessment. On the date of the termination or  
29 suspension of the federal assessment, the promotional order  
30 shall recommence and the suspension of the state assessment for  
31 direct use shall terminate. The termination or suspension of  
32 the federal assessment shall not affect the state assessment  
33 for clean water.

34 Sec. 112. Section 185C.26, Code 2016, is amended to read as  
35 follows:

1     **185C.26 Deposit of moneys — corn promotion fund —**  
2 **administration of moneys.**

3     1. a. A Moneys from a state assessment for direct use  
4 imposed as part of a promotional order and collected by the  
5 board from a sale of corn shall be deposited in the office of  
6 the treasurer of state in a special fund known as the corn  
7 promotion fund. The fund may also include any gifts, rents,  
8 royalties, interest, license fees, or a federal or state grant  
9 received by the board. ~~Moneys~~ The moneys collected, deposited  
10 in the corn promotion fund, and transferred to the board as  
11 provided in this chapter shall be subject to audit by the  
12 auditor of state. The auditor of state may seek reimbursement  
13 for the cost of the audit from moneys deposited in the corn  
14 promotion fund as provided in this chapter.

15     b. The department of administrative services shall transfer  
16 moneys from the corn promotion fund to the board for deposit  
17 into an account established by the board in a qualified  
18 financial institution. The department shall transfer the  
19 moneys as provided in a resolution adopted by the board.  
20 However, the department is only required to transfer moneys  
21 once during each day and only during hours when the offices of  
22 the state are open.

23     c. From moneys collected, the board shall first pay all  
24 the direct and indirect costs incurred by the secretary and  
25 the costs of initial and special referendums, elections, and  
26 other expenses incurred in the administration of this chapter,  
27 before moneys may be expended to carry out the purposes of this  
28 chapter as provided in section 185C.11.

29     2. Moneys from a state assessment for clean water collected  
30 by the board may be deposited in a qualified financial  
31 institution and shall be transferred to the clean water fund  
32 created in section 466B.51.

33     Sec. 113. Section 185C.27, Code 2016, is amended to read as  
34 follows:

35     **185C.27 Refund of assessment.**



1     1. a. A producer who has sold corn and had a state  
2 assessment for direct use deducted from the sale price, by  
3 application in writing to the board, may secure a refund in the  
4 amount deducted. The refund shall be payable only when the  
5 application shall have been made to the board within sixty days  
6 after the deduction. The board shall have thirty days from the  
7 date the application for refund is received to remit the refund  
8 to the producer.

9     b. A producer who has sold corn and had the state  
10 assessment for clean water deducted from the sale price may,  
11 by application in writing to the board, secure a refund of the  
12 amount deducted payable by the division of soil conservation  
13 and water quality of the department of agriculture and land  
14 stewardship. The board shall forward approved applications to  
15 the division within sixty days after the deduction.

16     2. Application forms shall be given by the board to  
17 each first purchaser when requested and the first purchaser  
18 shall make the applications available to any producer. Each  
19 application for refund by a producer shall have attached to  
20 the application proof of the state assessment deducted. The  
21 proof of state assessment may be in the form of a duplicate  
22 or certified copy of the purchase invoice by the first  
23 purchaser. ~~The board shall have thirty days from the date the~~  
24 ~~application for refund is received to remit the refund to the~~  
25 ~~producer.~~ The form shall allow the applicant to elect whether  
26 the refund is for the state assessment for direct use or the  
27 state assessment for clean water or both. The board shall not  
28 approve an application unless the application indicates the  
29 election.

30     3. a. The board may provide for refunds of a federal  
31 assessment as provided by federal law. Unless inconsistent  
32 with federal law, refunds shall be made under [section 185C.26](#).

33     b. The board may provide for filing applications for a  
34 refund of the state assessment for direct use and the state  
35 assessment for clean water based on applicable procedures

1 for the filing of applications for refunds of the federal  
2 assessment.

3 Sec. 114. Section 185C.29, subsection 1, Code 2016, is  
4 amended to read as follows:

5 1. After the direct and indirect costs incurred by the  
6 secretary and the costs of elections, referendums, necessary  
7 board expenses, and administrative costs have been paid, at  
8 least seventy-five percent of the remaining moneys from a  
9 state assessment for direct use shall be deposited in the corn  
10 promotion fund and shall be used to carry out the purposes of  
11 the board as provided in [section 185C.11](#).

12 Sec. 115. Section 185C.33, Code 2016, is amended to read as  
13 follows:

14 **185C.33 Report.**

15 The board shall each year prepare and submit a report  
16 summarizing the activities of the board under [this chapter](#) to  
17 the auditor of state and the secretary ~~of agriculture~~. The  
18 report shall show all income, expenses, and other relevant  
19 information concerning fees the state assessment for direct use  
20 collected and expended under the provisions of [this chapter](#).

21 DIVISION IX

22 CLEAN WATER FUND

23 Sec. 116. NEW SECTION. **7D.10B Payment to the clean water**  
24 **fund.**

25 If moneys are not sufficient to reimburse the department  
26 of agriculture or a commodity organization described in  
27 section 466B.51 for reasonable expenses incurred in conducting  
28 a referendum to establish, continue, or terminate a state  
29 assessment for clean water, the executive council may authorize  
30 as an expense paid from the appropriations addressed in section  
31 7D.29 the payment of an amount to the clean water fund created  
32 in section 466B.51. However, not more than a total of one  
33 hundred thousand dollars shall be paid pursuant to this section  
34 to the fund at any one time to pay for expenses incurred in  
35 conducting a referendum.

1     Sec. 117. Section 466A.3, subsection 1, unnumbered  
2 paragraph 1, Code 2016, is amended to read as follows:

3     A watershed improvement review board is established. The  
4 board shall advise the clean water commission created in  
5 section 466B.52.

6     Sec. 118. Section 466A.3, subsection 4, unnumbered  
7 paragraph 1, Code 2016, is amended to read as follows:

8     The watershed improvement review board shall carry out  
9 the purposes of **this chapter** as provided in **section 466A.2**,  
10 including by determining how moneys are to be expended from  
11 the watershed improvement fund and authorizing the expenditure  
12 of moneys from the fund. In carrying out those purposes, and  
13 acting upon direction of the clean water commission, the board  
14 shall do all of the following:

15     Sec. 119. Section 466A.5, Code 2016, is amended to read as  
16 follows:

17     **466A.5 Administration.**

18     1. The division of soil conservation and water quality  
19 created within the department of agriculture and land  
20 stewardship pursuant to **section 159.5** shall provide  
21 administrative support to the board. The division shall  
22 administer this chapter under the oversight of the clean water  
23 commission created in section 466B.52.

24     2. Not more than one percent of the total moneys deposited  
25 in the general account of the watershed improvement fund on  
26 July 1 of a fiscal year or fifty thousand dollars, whichever is  
27 less, is appropriated each fiscal year to the division for the  
28 purposes of assisting the watershed improvement review board  
29 in administering **this chapter**.

30     Sec. 120. Section 466B.2, Code 2016, is amended by adding  
31 the following new subsections:

32     NEW SUBSECTION. 01. *"Commission"* means the clean water  
33 commission created in section 466B.52.

34     NEW SUBSECTION. 2A. *"Iowa nutrient reduction strategy"*  
35 means the latest version of the document entitled "Iowa

1 Nutrient Reduction Strategy” initially presented in 2012 by the  
2 department of agriculture and land stewardship, the department  
3 of natural resources, and Iowa state university of science and  
4 technology.

5 Sec. 121. Section 466B.3, subsections 1 and 2, Code 2016,  
6 are amended to read as follows:

7 1. *Council established.* A water resources coordinating  
8 council is established within the department of agriculture  
9 and land stewardship. The council shall carry out the  
10 powers and duties described in this section in accordance  
11 with the policies and under the direction and supervision of  
12 the commission. The council shall advise the commission as  
13 required by the commission.

14 2. *Purpose.* The purpose of the council shall be to advise  
15 the commission regarding strategies and methods to preserve  
16 and protect Iowa’s water resources, and to coordinate the  
17 management of those resources in a sustainable and fiscally  
18 responsible manner. In the pursuit of this purpose providing  
19 advice to the commission and acting in accordance with its  
20 policies, and under its direction and supervision, the  
21 council shall use an integrated approach to water resource  
22 management, recognizing that insufficiencies exist in current  
23 approaches and practices, as well as in funding sources and  
24 the utilization of funds. The integrated approach used by the  
25 council shall attempt to overcome old categories, labels, and  
26 obstacles with the primary goal of managing the state’s water  
27 resources comprehensively rather than compartmentally.

28 Sec. 122. Section 466B.3, subsection 3, unnumbered  
29 paragraph 1, Code 2016, is amended to read as follows:

30 The success of ~~the council’s~~ efforts made under this section  
31 shall ultimately be measured by the following outcomes:

32 Sec. 123. Section 466B.3, subsection 6, paragraph c, Code  
33 2016, is amended to read as follows:

34 *c.* The council, acting in accordance with the policies and  
35 under the direction and supervision of the commission, shall

1 develop recommendations for policies and funding promoting a  
2 watershed management approach to reduce the adverse impact  
3 of future flooding on this state's residents, businesses,  
4 communities, and soil and water quality. The council and the  
5 commission shall consider policies and funding options for  
6 various strategies to reduce the impact of flooding, including  
7 but not limited to additional floodplain regulation; wetland  
8 protection, restoration, and construction; the promulgation and  
9 implementation of statewide storm water management standards;  
10 conservation easements and other land management; perennial  
11 ground cover and other agricultural conservation practices;  
12 pervious pavement, bioswales, and other urban conservation  
13 practices; and permanent or temporary water retention  
14 structures. In developing recommendations, the council and  
15 the commission shall consult with hydrological and land use  
16 experts, representatives of cities, counties, drainage and  
17 levee districts, agricultural interests, and soil and water  
18 conservation districts, and other urban and regional planning  
19 experts.

20 Sec. 124. Section 466B.31, subsection 1, Code 2016, is  
21 amended to read as follows:

22 1. a. A watershed planning advisory council is established  
23 for purposes of assembling a diverse group of stakeholders  
24 to review research and make recommendations to various state  
25 entities regarding methods to protect water resources in the  
26 state, assure an adequate supply of water, mitigate and prevent  
27 floods, and coordinate the management of those resources in  
28 a sustainable, fiscally responsible, and environmentally  
29 responsible manner.

30 b. The council shall carry out the powers and duties  
31 described in this section in accordance with the policies  
32 and under the direction and supervision of the commission.  
33 The council shall advise the commission as required by the  
34 commission.

35 c. The advisory commission shall supervise the council may

1 ~~seek~~ in seeking input from councils of governments or other  
2 organizations in the development of its recommendations. The  
3 advisory council shall meet once a year and at other times as  
4 deemed necessary to meet the requirements of this section.  
5 The advisory council may appoint a task force to assist the  
6 advisory council in completing its duties.

7 Sec. 125. Section 466B.31, subsection 3, unnumbered  
8 paragraph 1, Code 2016, is amended to read as follows:

9 By December 1 of each year, the watershed planning advisory  
10 council with approval by the commission shall submit a report  
11 to the governor, the general assembly, the department of  
12 agriculture and land stewardship, the department of natural  
13 resources, and the water resources coordinating council. The  
14 report shall include recommendations regarding all of the  
15 following:

16 Sec. 126. Section 466B.42, Code 2016, is amended to read as  
17 follows:

18 **466B.42 Water quality initiative.**

19 ~~The division shall establish a~~ A water quality initiative  
20 is established in order to assess and reduce nutrients in this  
21 state's watersheds, including subwatersheds, and regional  
22 watersheds. ~~The division~~ commission shall ~~establish~~ oversee  
23 and the division, acting in accordance with the policies  
24 and under the direction and supervision of the commission,  
25 shall administer the water quality initiative and advise  
26 the commission as required by the commission. As part of  
27 the initiative, the division shall administer projects to  
28 reduce nutrients in surface waters from nonpoint sources  
29 in a scientific, reasonable, and cost-effective manner.  
30 The commission and the division shall utilize a pragmatic,  
31 strategic, and coordinated approach with the goal of  
32 accomplishing reductions over time.

33 Sec. 127. NEW SECTION. **466B.51 Clean water fund.**

34 1. A clean water fund is created in the state treasury  
35 under the management and control of the clean water commission.

1 The clean water fund is composed of a general account, an  
2 assessment account, and an expenditures account.

3 2. The clean water fund's general account includes moneys  
4 appropriated to the account from the general assembly, and  
5 other moneys available to and obtained or accepted by the  
6 commission, including moneys from public or private sources.  
7 However, the account shall not include moneys transferred  
8 from a commodity organization as described in subsection 3.  
9 Except as provided in subsection 3, all moneys received by the  
10 commission for deposit into the fund shall be credited to the  
11 general account.

12 3. The clean water fund's assessment account includes the  
13 following moneys collected and transferred to the account from  
14 the following commodity organizations:

15 a. The Iowa dairy industry commission as established in  
16 chapter 179 or the Iowa state dairy association as recognized  
17 in that chapter, which shall transfer moneys collected from the  
18 state assessment for clean water as provided in that chapter,  
19 including section 179.5.

20 b. The Iowa beef cattle producers association as established  
21 in chapter 181 which shall transfer moneys from the state  
22 assessment as provided in that chapter, including section  
23 181.13.

24 c. The Iowa sheep and wool promotion board established  
25 pursuant to chapter 182 which shall transfer moneys from the  
26 state assessment as provided in that chapter, including section  
27 182.18.

28 d. The Iowa pork producers council as established in chapter  
29 183A, or the Iowa pork producers association as recognized  
30 in that chapter, which shall transfer moneys from the state  
31 assessment as provided in that chapter, including section  
32 183A.7.

33 e. The Iowa egg council as established in chapter 184 which  
34 shall transfer moneys from the state assessment as provided in  
35 that chapter, including section 184.13.

1     *f.* The Iowa turkey marketing council as established in  
2 chapter 184A which shall transfer moneys from the state  
3 assessment as provided in that chapter, including section  
4 184A.4.

5     *g.* The Iowa soybean association as recognized in chapter  
6 185 which shall transfer moneys from the state assessment as  
7 provided in that chapter, including section 185.26.

8     *h.* The Iowa corn promotion board as established in chapter  
9 185C which shall transfer moneys from the state assessment as  
10 provided in that chapter, including section 185C.26.

11     4. The clean water fund's expenditures account only  
12 includes moneys transferred from the general account and the  
13 state assessment account as provided in this section.

14     5. *a.* Moneys in the clean water fund shall not be used for  
15 any purpose other than described in this section.

16     *b.* Moneys in the general account shall not be used for any  
17 purpose other than for transfer to the expenditures account.

18     *c.* Moneys in the assessment account shall not be used for  
19 any purpose other than to do the following:

20         (1) Pay administrative expenses which are limited to all of  
21 the following:

22             (a) Reimbursing the department of agriculture and land  
23 stewardship or a commodity organization for all reasonable  
24 costs of conducting a referendum to determine if a state  
25 assessment for clean water is to be established, continued, or  
26 terminated. The division shall apply to the executive council  
27 if necessary to receive moneys required to pay for reasonable  
28 costs of conducting a referendum as provided in section 7D.10B.

29             (b) Remitting refunds of moneys to persons who have paid a  
30 state assessment for clean water to a commodity organization,  
31 if the application for a refund has been approved by the  
32 commodity organization and submitted to the department as  
33 required by the division of soil conservation and water  
34 quality.

35             (c) Paying reasonable expenses associated with the



1 collection and transfer of moneys associated with the  
2 collection of the state assessment for clean water and the  
3 processing of refund applications associated with such  
4 collection.

5 (d) Transfer remaining moneys to the expenditures account  
6 as provided in this section.

7 6. The clean water commission shall review the balance of  
8 moneys in the general account and the balance of moneys in the  
9 assessment account fund not later than June 1 of each year to  
10 make one of the following determinations:

11 a. The total amount of moneys expected to be credited to  
12 the general account during the following state fiscal year  
13 beginning July 1 and ending June 30 will not equal or exceed  
14 the balance of moneys in the assessment account on July 1 of  
15 that same state fiscal year. If the commission makes this  
16 determination, the commission shall order all moneys credited  
17 to the general account to be transferred to the expenditures  
18 account during that same state fiscal year. The commission  
19 shall also order that each commodity organization that is  
20 imposing and collecting a state assessment to immediately  
21 suspend the imposition of that state assessment for the  
22 following state fiscal year.

23 b. The total amount of moneys expected to be credited to  
24 the general account during the following state fiscal year  
25 beginning July 1 and ending June 30 will at least equal the  
26 balance of moneys in the state assessment account on July 1  
27 of that same state fiscal year. If the commission makes this  
28 determination, the commission shall order all moneys credited  
29 to the general account and assessment account to be transferred  
30 to the expenditures account during that same state fiscal year.

31 7. Moneys in the fund's expenditures account shall be  
32 expended by the clean water commission to support programs  
33 and projects administered to improve the state's watersheds  
34 and surface waters, including but not limited to projects  
35 associated with the water quality initiative established

1 pursuant to section 466B.42. Moneys in the account shall be  
2 used to support soil conservation and watershed protection, the  
3 installation of conservation practices and watershed protection  
4 improvements as provided in chapters 161A, 161C, 461A, 466,  
5 and 466A. Moneys in the account shall also be used to support  
6 water quality programs and projects administered by the Iowa  
7 finance authority under chapter 16.

8 8. Notwithstanding section 8.33, moneys in the clean  
9 water fund shall not revert. Notwithstanding section 12C.7,  
10 subsection 2, interest or earnings on moneys in the fund shall  
11 be credited to the fund.

12 Sec. 128. NEW SECTION. **466B.52 Clean water commission —**  
13 **appointment and administration.**

14 1. A clean water commission is created which shall be housed  
15 in the division of soil conservation and water quality of the  
16 department of agriculture and land stewardship.

17 2. The commission shall be comprised of nine voting members  
18 appointed by the governor.

19 3. The commission shall also be comprised of four  
20 legislative members who shall serve in a nonvoting, ex officio  
21 capacity. The legislative members shall include all of the  
22 following:

23 a. Two members of the senate. One senator shall be  
24 appointed by the majority leader of the senate and one senator  
25 shall be appointed by the minority leader of the senate.

26 b. Two members of the house of representatives. One  
27 member shall be appointed by the speaker of the house of  
28 representatives and one member shall be appointed by the  
29 minority leader of the house of representatives.

30 4. The commission shall also be comprised of persons  
31 appointed by commodity organizations described in section  
32 466B.51 who shall serve in a nonvoting, ex officio capacity.  
33 Each commodity organization may appoint one person if producers  
34 who are members of the commodity organization have approved  
35 the establishment of a state assessment for clean water to be

1 transferred to the clean water fund created in section 466B.51.

2 5. Voting members shall serve four-year terms and may be  
3 reappointed. The initial terms of the voting members shall  
4 be staggered at the discretion of the governor. Nonvoting  
5 members shall serve at the pleasure of the persons or commodity  
6 organizations making their appointments.

7 6. Sections 69.16, 69.16A, and 69.19 shall apply to the  
8 voting members. The voting members are subject to senate  
9 confirmation.

10 7. *a.* A member, other than a legislative member, is  
11 eligible to receive compensation as provided in section 7E.6,  
12 and shall be reimbursed for actual and necessary expenses  
13 incurred in performance of the members' duties. All expenses  
14 shall be paid from appropriations for such purposes and the  
15 commission shall be subject to the budget requirements of  
16 chapter 8.

17 *b.* A legislative member serves for a term as provided in  
18 section 69.16B and is eligible for per diem and expenses as  
19 provided in section 2.10.

20 8. The commission shall meet in January of each year for the  
21 purpose of electing one of its voting members as chairperson.

22 9. The commission shall meet on a regular basis and at the  
23 call of the chairperson or upon the written request to the  
24 chairperson of five or more voting members. Written notice  
25 of the time and place of the meeting shall be given to each  
26 member.

27 10. A majority of voting members constitutes a quorum,  
28 and the affirmative vote of a majority of the voting members  
29 is necessary for any action taken by the board, except that a  
30 lesser number may adjourn a meeting.

31 11. Any vacancy in the membership of the commission shall  
32 be filled in the same manner as regular appointments are made  
33 for the unexpired portion of the regular term. A vacancy in  
34 the membership of the commission does not impair the rights of  
35 a quorum to exercise all rights and perform all duties of the

1 commission.

2 12. A person shall not serve as a member of the commission  
3 if the person has an interest in a contract or job of work or  
4 material or the profits thereof or service to be performed  
5 for the department of agriculture and land stewardship or  
6 department of natural resources. Any member of the commission  
7 who accepts employment with or acquires any stock, bonds, or  
8 other interest in any company or corporation doing business  
9 with the department of agriculture and land stewardship or the  
10 department of natural resources shall be disqualified from  
11 remaining a member of the commission.

12 13. The department of agriculture and land stewardship in  
13 cooperation with the department of natural resources shall  
14 assist the commission by doing all of the following:

15 a. Provide the commission with necessary facilities, items,  
16 and clerical support.

17 b. Perform administrative functions necessary for the  
18 management of the commission.

19 Sec. 129. NEW SECTION. **466B.53 Clean water commission —**  
20 **powers and duties.**

21 1. The purpose of the clean water commission shall be to  
22 identify and finance methods to improve surface water quality,  
23 including by reducing contributing contaminant loads to  
24 receiving surface waters and reducing soil erosion and sediment  
25 loss.

26 2. In furthering the purpose set forth in subsection 1, the  
27 clean water commission shall do all of the following:

28 a. Develop comprehensive water quality policies and plans,  
29 that identify existing plans, programs, and projects. The  
30 commission shall use existing data and amend, augment, and  
31 consolidate existing plans or strategies which have improved or  
32 which promise to improve water quality.

33 b. Identify additional water quality improvement needs on a  
34 watershed basis, including the need to develop new or innovate  
35 programs or projects.

1     *c.* Measure the effectiveness and results of programs and  
2 projects according to performance measures and associated  
3 benchmarks. The data demonstrating accountability collected by  
4 the department shall be made readily available and maintained  
5 in a computer-readable format.

6     3. The clean water commission shall establish objectives  
7 of programs described in subsection 2 to be achieved by  
8 dates identified by the commission which may include program  
9 timelines and milestones. The commission shall measure and  
10 monitor progress toward achieving program objectives.

11    4. The commission shall develop comprehensive water quality  
12 policies and plans, that integrate existing plans, programs,  
13 and projects in accordance with the Iowa nutrient reduction  
14 strategy. The commission shall use existing data and amend,  
15 augment, and consolidate existing plans or strategies which  
16 have improved or which promise to improve water quality.  
17 The commission shall also develop new comprehensive water  
18 quality policies and plans, that integrate existing plans,  
19 programs, and projects. The information collected by the  
20 department shall be made readily available and maintained in a  
21 computer-readable format.

22    5. The commission shall identify additional water quality  
23 improvement needs on a watershed basis, including the need to  
24 develop new or innovate programs or projects.

25    6. By October 1, 2018, and by October 1 of each year  
26 thereafter, the commission shall submit a report to the  
27 governor and the general assembly used to support the programs  
28 described in subsection 2. A report shall include all of the  
29 following:

30     *a.* A description and update of the current status of water  
31 quality programs and associated projects, and the expenditure  
32 of moneys appropriated to support the programs and associated  
33 projects administered by state entities, including but not  
34 limited to the department of agriculture and land stewardship,  
35 the department of natural resources, Iowa state university

1 of science and technology, the Iowa finance authority, and  
2 watershed management authorities.

3     *b.* An evaluation of the successes and failures of a  
4 water quality program and any associated project in meeting  
5 the program's objectives. The report shall include any  
6 legislative proposals to enact, amend, or repeal statutes and  
7 any administrative proposals to adopt, revise, or rescind  
8 administrative rules.

9     7. The Iowa finance authority, the department of natural  
10 resources, and the department of agriculture and land  
11 stewardship shall cooperate with the commission in providing  
12 the commission with all information necessary for the  
13 commission to carry out the provisions of this section.

14     Sec. 130. NEW SECTION. **466B.54 Clean water commission —**  
15 **study.**

16     1. The clean water commission, in cooperation with the  
17 department of agriculture and land stewardship, the department  
18 of natural resources, and the Iowa finance authority shall  
19 prepare and submit a clean water evaluation and expenditure  
20 report to the governor and general assembly by January 15,  
21 2018.

22     2. The clean water evaluation and expenditure report shall  
23 include all of the following:

24     *a.* A description of current clean water programs and  
25 projects, and the expenditure of moneys appropriated to  
26 support those programs and projects. The report shall evaluate  
27 successes and failures of each program and project in meeting  
28 water quality objectives. The report may also recommend  
29 methods to improve the program.

30     *b.* A plan for allocating moneys in the expenditures account  
31 of the clean water fund created in section 466B.51. The plan  
32 shall include a formula which takes into account the extent to  
33 which moneys may be used for all of the following:

34     (1) Watersheds requiring immediate improved surface water  
35 quality.

1 (2) The establishment of infrastructure, conservation  
2 measures, and practices that reduce contributing nutrient  
3 loads, associated sediment, or contaminants from nonpoint  
4 sources to surface waters in a scientific, reasonable, and  
5 cost-effective manner.

6 (3) The administration of programs or projects in a manner  
7 that is consistent with the Iowa nutrient reduction strategy.

8 (4) The degree to which political subdivisions or  
9 stakeholders have demonstrated a willingness and have the  
10 resources to participate in programs or projects.

11 (5) The degree to which clean water programs can attract  
12 additional funding from private and public sources including  
13 federal funding.

14 3. The clean water evaluation and expenditure report shall  
15 include a detailed plan for consolidating all water quality  
16 and soil conservation initiatives and programs and associated  
17 projects administered by the department of agriculture and  
18 land stewardship, the department of natural resources, and the  
19 Iowa finance authority under the overall supervision of the  
20 commission. The plan shall include any legislative proposals  
21 to enact, amend, or repeal statutes and any administrative  
22 proposals to adopt, revise, or rescind administrative rules.

23 Sec. 131. APPROPRIATION.

24 1. There is appropriated from the general fund of the state  
25 to the clean water commission created in section 466B.52 for  
26 the fiscal year beginning July 1, 2017, and ending June 30,  
27 2018, the following amount, or so much thereof as is necessary,  
28 to be used for the purposes designated:

29 To be credited to the general account of the clean water fund  
30 created in section 466B.51:

31 ..... \$ 40,000,000

32 2. The amount of the appropriation made in subsection 1  
33 shall be reduced by any amount of moneys to be credited to  
34 the assessment account of the clean water fund due to state  
35 assessments collected on or before June 30, 2017.

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DIVISION X  
ADMINISTRATION

Sec. 132. NAME CHANGE TO REFERENDUM FOR DIRECT USE. Nothing in this Act requires the department of agriculture and land stewardship or a commodity organization described in section 466B.51, as enacted in this Act, to conduct a referendum because of this Act's reference to a referendum as a referendum for direct use.

EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

This bill relates to agricultural commodity organizations representing producers of that commodity that are authorized to impose an excise tax or "assessment" (and commonly referred to as a "checkoff") on the commodity when first sold by the producer to a first purchaser. The goal of the assessment is to fund promotional activities which involve market development, research, and education. The commodity organizations include the Iowa dairy industry commission or Iowa state dairy association (Code chapter 179), Iowa beef cattle producers association (Code chapter 181), Iowa sheep and wool promotion board (Code chapter 182), Iowa pork producers council or Iowa pork producers association (Code chapter 183A), Iowa egg council (Code chapter 184), the Iowa turkey marketing council (Code chapter 184A), the Iowa soybean association (Code chapter 185), and the Iowa corn promotion board (Code chapter 185C). The bill requires a commodity organization to establish a separate state assessment for clean water, if approved by a majority of its members at a referendum. The bill also requires commodity organizations to conduct a special referendum to increase the rate of the assessment for clean water. The rate of the state assessment is established by the governing body of the commodity organization not to exceed the assessment for direct use or national assessment or both. The referendum would be conducted in the same manner as an initial



1 or special referendum conducted by the commodity organization  
2 under its specific Code chapter. The special assessment could  
3 be continued or terminated in the same manner as the commodity  
4 organization's assessment for promotional activities. Moneys  
5 from the state assessment would be collected by the commodity  
6 organization and transferred to a newly created clean water  
7 fund.

8 The bill establishes a clean water commission housed in  
9 the division of soil conservation and water quality of the  
10 department of agriculture and land stewardship. The commission  
11 is composed of nine voting members appointed by the governor,  
12 four legislative members who serve in a nonvoting, ex officio  
13 capacity, and persons appointed by the commodity organizations,  
14 who also serve in a nonvoting, ex officio capacity.  
15 Appointments are contingent on the commodity organization  
16 having approved the establishment of a state assessment for  
17 clean water to be transferred to the clean water fund. The  
18 purpose of the commission is to finance methods to improve  
19 surface water quality, including by reducing contributing  
20 contaminant loads to receiving surface waters and reducing soil  
21 erosion and sediment loss. The commission is responsible for  
22 overseeing the water quality initiative as administered by the  
23 division of soil conservation and water quality.

24 Moneys collected from the state assessment are to be  
25 credited to the clean water fund which is under the supervision  
26 of the commission. The fund is composed of a general account,  
27 an assessment account, and an expenditures account. The fund's  
28 general account includes moneys appropriated by the general  
29 assembly and other moneys available to and obtained or accepted  
30 by the commission. Moneys collected from the state assessment  
31 are to be credited to the assessment account. The bill also  
32 includes an expenditures account which only includes moneys  
33 transferred from the general account and the assessment account  
34 for purposes of financing methods to improve surface water  
35 quality. Moneys transferred from the assessment account are

1 to be used to reimburse the department of agriculture and land  
2 stewardship or a commodity organization for reasonable costs  
3 of conducting a referendum to determine if a state assessment  
4 for clean water is to be established, continued, or terminated.  
5 The commission can also apply to the executive council for  
6 moneys required to pay for reasonable costs of conducting a  
7 referendum. Moneys deposited into the expenditures account  
8 may also be used to pay refunds to producers who have paid the  
9 state assessment if the refund application has been approved  
10 by the commodity organization. The commission must review  
11 the balance of moneys in the general account and the balance  
12 of moneys in the assessment account, prior to the end of  
13 each fiscal year. If the total amount of moneys expected  
14 to be credited to the general account during the following  
15 fiscal year will not at least equal the balance of moneys in  
16 the assessment account the commission must order that each  
17 commodity organization that is imposing and collecting a state  
18 assessment immediately suspend the imposition of that state  
19 assessment for the following fiscal year.

20 The bill appropriates \$40 million from the general fund  
21 of the state to the clean water commission for the fiscal  
22 year beginning July 1, 2017, and ending June 30, 2018, to  
23 be credited to the general account of the clean water fund.  
24 However, the amount of the appropriation is to be reduced by  
25 any moneys credited to the fund's assessment account due to  
26 state assessments collected on or before June 30, 2017.

27 The commission, in cooperation with the department of  
28 agriculture and land stewardship, the department of natural  
29 resources, and the Iowa finance authority, must submit a  
30 report to the governor and general assembly by January 15,  
31 2018, which includes a description of current clean water  
32 programs and projects and a detailed plan for consolidating all  
33 water quality and soil conservation initiatives and programs  
34 and associated projects administered by the department of  
35 agriculture and land stewardship, the department of natural

1 resources, and the Iowa finance authority under the overall  
2 supervision of the commission.