

Senate File 110 - Introduced

SENATE FILE 110

BY BOLKCOM

A BILL FOR

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

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

DIVISION I

IOWA DAIRY INDUSTRY COMMISSION AND
IOWA STATE DAIRY ASSOCIATION

Section 1. Section 179.1, Code 2017, 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 quality and soil conservation.

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 2017, 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 2017, 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

1 existence of the commission is suspended, the terms of office
2 being served by individual commissioners shall terminate.

3 b. The establishment of a national promotional order shall
4 not affect the imposition of a state assessment for water
5 quality and soil conservation established pursuant to section
6 179.13A.

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

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

1 commissioners shall be appointed to three-year terms.

2 7. The establishment or expiration of a national
3 promotional order shall not affect the imposition of a state
4 assessment for water quality and soil conservation established
5 pursuant to section 179.13A.

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

11 Sec. 4. Section 179.3, Code 2017, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 10. To cooperate with the division of soil
14 conservation and water quality of the department of agriculture
15 and land stewardship in transferring moneys collected from the
16 state assessment for water quality and soil conservation to the
17 water quality and soil conservation fund created in section
18 466B.51.

19 Sec. 5. Section 179.4, Code 2017, is amended to read as
20 follows:

21 **179.4 ~~Expenditure of funds~~ Use of moneys.**

22 ~~Funds collected through~~ Moneys collected by the commission
23 from the excise tax are to state assessment for direct use
24 imposed pursuant to section 179.5 shall be used for purposes
25 of advertising and promotion, product, process, and nutrition,
26 dietetics, and physiology research, nutrition education, public
27 relations, research and development, and for other activities
28 that contribute to producer efficiency and productivity.

29 In addition, the commission shall use these ~~funds~~ moneys
30 to maintain existing markets, to make contributions to
31 organizations working toward the purposes of **this section**,
32 and to assist in the development of new or enlarged markets
33 for milk, both domestic and foreign. The primary purpose for
34 use of these ~~funds~~ moneys is to increase consumption of milk.
35 The commission may contract for advertising, publicity, sales

1 promotion, research, and educational services the ~~committee~~
2 commission deems appropriate to further the objectives of this
3 section.

4 Sec. 6. Section 179.5, Code 2017, is amended to read as
5 follows:

6 **179.5 ~~Excise tax~~ State assessments — administration of**
7 **moneys — appropriation.**

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

13 b. There is ~~imposed~~ a state assessment for water quality
14 and soil conservation on all producers within the state at the
15 same rate as the state assessment for direct use described in
16 paragraph "a", if the state assessment for water quality and
17 soil conservation is established and continued pursuant to
18 section 179.13A.

19 2. ~~All taxes levied and~~ The state assessment for direct
20 use and the state assessment for water quality and soil
21 conservation imposed under **this chapter** shall be deducted from
22 the sales price received by the producer and shall be collected
23 by the first purchaser, except as follows:

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

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

35 3. ~~All taxes levied and~~ The state assessment for direct

1 use and the state assessment for water quality and soil
2 conservation if established and imposed under this chapter, and
3 any other contributions made to the ~~dairy industry~~ commission,
4 shall be paid to and collected by the commission within thirty
5 days after the end of the month during which the milk was
6 marketed.

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

33 5. The commission may deposit moneys collected from the
34 state assessment for water quality and soil conservation in
35 a qualified financial institution until transferred to the

1 water quality and soil conservation fund created in section
2 466B.51. During the period when a national promotional order
3 is in effect, the Iowa state dairy association shall deposit
4 the moneys collected from that state assessment in a qualified
5 financial institution until transferred to the water quality
6 and soil conservation fund. If the state assessment for water
7 quality and soil conservation is terminated as provided in
8 section 179.13A, the remaining moneys collected from that
9 state assessment shall be immediately transferred to the water
10 quality and soil conservation fund.

11 6. The commission may require that the invoice also show the
12 total amount of any state assessment for direct use deducted
13 from the sales price. If a national assessment is being
14 collected, the Iowa state dairy association may require that
15 the invoice for the national assessment also show the total
16 amount of any national assessment, if permitted by federal law.
17 If a state assessment for water quality and soil conservation
18 is collected, the first purchaser shall furnish the producer
19 at the time of payment an invoice showing the total amount of
20 the state assessment for water quality and soil conservation
21 deducted from the sales price.

22 ~~4.~~ 7. a. A person from whom ~~the excise tax provided in~~
23 ~~this chapter~~ a state assessment for direct use is collected
24 may, by application filed with the commission within thirty
25 days after the collection of the ~~tax~~ state assessment, have the
26 ~~tax~~ state assessment refunded to that person by the commission.

27 b. If a state assessment for direct use is imposed, a
28 person from whom a state assessment for water quality and
29 soil conservation is collected may file an application for a
30 refund with the commission. The application for a refund shall
31 allow the person to elect whether the refund is for the state
32 assessment for direct use or the state assessment for water
33 quality and soil conservation or both. The commission shall
34 not approve an application unless the application indicates the
35 election. The commission shall forward an approved application

1 for a refund of the state assessment to the division of soil
2 conservation and water quality for payment.

3 c. If a national assessment is imposed and a refund of the
4 national assessment is authorized, a person from whom a state
5 assessment for water quality and soil conservation is collected
6 may file an application for a refund with the Iowa state dairy
7 association. The application shall to the extent allowed by
8 federal law allow the person to elect whether the refund is
9 for the national assessment or the state assessment for water
10 quality and soil conservation or both. The association shall
11 forward the approved application for a refund of the state
12 assessment for water quality and soil conservation to the
13 division of soil conservation and water quality for payment.

14 Sec. 7. Section 179.6, Code 2017, is amended to read as
15 follows:

16 **179.6 Records of producers, first purchasers.**

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

32 Sec. 8. Section 179.8, Code 2017, is amended to read as
33 follows:

34 **179.8 Payment of expenses — limitation.**

35 1. No part of the expense incurred by the commission

1 shall be paid out of moneys in the state treasury except
2 moneys transferred to the commission from the dairy industry
3 fund. Moneys transferred from the fund to the commission, as
4 provided in [section 179.5](#), shall be used for the payment of
5 all salaries, and other expenses necessary, to carry out the
6 provisions of [this chapter](#). However, in no event shall the
7 total expenses exceed the total ~~taxes~~ amount collected from the
8 state assessment for direct use collected and transferred from
9 the fund to the commission.

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

14 Sec. 9. Section 179.9, Code 2017, is amended to read as
15 follows:

16 **179.9 Investigations by commission.**

17 The commission shall have the power to cause its authorized
18 agents to enter upon the premises of any person charged by this
19 chapter or by agreement with the commission with the collection
20 of ~~the excise tax~~ a state assessment for direct use or a state
21 assessment for water quality and soil conservation imposed by
22 this chapter, and to cause to be examined by any such agent any
23 books, records, documents, or other instruments bearing upon
24 the amount of moneys from such ~~tax~~ state assessment collected
25 or to be collected by such person; provided that the commission
26 has reasonable ground to believe that all moneys from the ~~tax~~
27 state assessments herein ~~levied~~ has imposed have not been
28 collected, or if ~~it has~~ they have not been fully accounted for
29 as herein provided.

30 Sec. 10. Section 179.10, Code 2017, is amended to read as
31 follows:

32 **179.10 Report.**

33 The commission shall each year prepare and submit a report
34 summarizing the activities of the commission under [this chapter](#)
35 to the auditor of state and the secretary ~~of agriculture~~. The

1 report shall show all income, expenses, and other relevant
2 information concerning fees the state assessment for direct use
3 collected and expended under this chapter. The report shall
4 also show the collection and transfer of moneys received from
5 any state assessment for water quality and soil conservation
6 imposed under this chapter.

7 Sec. 11. Section 179.13, Code 2017, is amended to read as
8 follows:

9 **179.13 ~~Referendum~~ Initial referendum.**

10 1. a. At a time designated by the commission within
11 eighteen months after termination of the national promotional
12 order made pursuant to the ~~Dairy Product Stabilization~~
13 federal Act of 1983, the commission shall conduct a an initial
14 referendum under administrative procedures prescribed by the
15 department.

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

1 be made at least thirty days prior to the initial referendum
 2 and shall include an official ballot. The ballots shall be
 3 tabulated by the secretary and the vote of the cooperative
 4 association shall be adjusted to reflect the individual votes.

5 c. The department shall count and tabulate the ballots
 6 filed during the initial referendum within thirty days of the
 7 close of the initial referendum. If from the tabulation the
 8 department determines that a majority of the total number of
 9 producers voting in the initial referendum favors the proposal,
 10 the ~~excise tax~~ state assessment for direct use provided for in
 11 this chapter shall be continued. The ballots cast pursuant
 12 to **this section** constitute complete and conclusive evidence
 13 for use in determinations made by the department under this
 14 chapter.

15 2. The secretary may conduct a special referendum at any
 16 time after the ~~Iowa dairy industry~~ commission is reactivated,
 17 and shall ~~hold a~~ conduct a special referendum ~~on request upon~~
 18 receiving a petition of a representative group comprising ten
 19 percent or more of the number of producers eligible to vote,
 20 to determine whether the producers favor the ~~termination or~~
 21 suspension or termination of the ~~excise tax~~ state assessment
 22 for direct use. The secretary shall suspend or terminate
 23 ~~collection of the excise tax within~~ state assessment for direct
 24 use no later than six months after the secretary determines
 25 that suspension or termination of the ~~excise tax~~ state
 26 assessment is favored by a majority of the producers voting
 27 in the special referendum, and shall suspend or terminate the
 28 ~~excise tax~~ state assessment in an orderly manner as soon as
 29 practicable after the determination.

30 **Sec. 12. NEW SECTION. 179.13A Referendums and special**
 31 **questions — establishment, increase, or termination of a state**
 32 **assessment.**

33 1. *a.* If a state assessment for direct use is established,
 34 and upon receipt of a petition of producers that otherwise
 35 complies with requirements to conduct an initial referendum

1 under section 179.13, subsection 1, the secretary shall conduct
2 a special referendum to determine whether to establish a state
3 assessment for water quality and soil conservation.

4 *b.* Upon receipt of a petition of producers that otherwise
5 complies with requirements to conduct an initial referendum
6 under section 179.13, the secretary shall include as part of
7 the initial referendum conducted pursuant to section 179.13,
8 subsection 1, a separate special question whether to establish
9 a state assessment for water quality and soil conservation, if
10 the secretary determines the inclusion of the special question
11 is cost-effective or the petition demands inclusion.

12 *c.* The secretary shall conduct the special referendum
13 under this subsection or include the separate special question
14 as part of an initial or special referendum conducted under
15 section 179.13, subsection 1, in consultation with the
16 commission and which may be based on the same procedures for
17 conducting an initial referendum under section 179.13.

18 *d.* If the secretary determines that the establishment of
19 a state assessment for water quality and soil conservation is
20 favored by a majority of the producers voting in a special
21 referendum under this subsection or in an initial referendum
22 conducted under section 179.13, subsection 1, that includes
23 a special question as provided in paragraph "b", the state
24 assessment shall commence on a date determined by the secretary
25 after consultation with the commission but not later than six
26 months after the date that the special or initial referendum
27 was conducted.

28 2. *a.* If a national assessment is being collected, and upon
29 receipt of a petition of producers that otherwise complies with
30 requirements to conduct an initial referendum under section
31 179.13, subsection 1, the secretary shall conduct a special
32 referendum to determine whether to establish a state assessment
33 for water quality and soil conservation.

34 *b.* Upon receipt of a petition of producers that otherwise
35 complies with requirements to conduct an initial referendum

1 under section 179.13, subsection 1, the secretary shall include
2 as part of the referendum to establish a national assessment,
3 a separate special question whether to establish a state
4 assessment for water quality and soil conservation, if the
5 secretary determines the inclusion of the special question
6 complies with federal law and either is cost-effective or the
7 petition demands inclusion.

8 *c.* The secretary shall conduct the special referendum under
9 this subsection or include the special question as part of a
10 referendum to establish a national referendum in consultation
11 with the Iowa state dairy association and which may be based on
12 the same procedures for conducting an initial referendum under
13 section 179.13, subsection 1, or a referendum to establish a
14 national assessment.

15 *d.* If the secretary determines that the establishment of
16 a state assessment for water quality and soil conservation is
17 favored by a majority of the producers voting in a special
18 referendum conducted under paragraph "a" or a referendum
19 to establish a national assessment that includes a special
20 question as provided in paragraph "b", the state assessment
21 shall commence on a date determined by the secretary after
22 consultation with the Iowa state dairy association but
23 not later than six months after the date that the special
24 referendum or referendum establishing a national assessment was
25 conducted.

26 3. *a.* If the rate of the national assessment has been
27 increased, and upon receipt of a petition of producers that
28 otherwise complies with requirements to conduct an initial
29 referendum under section 179.13, subsection 1, the secretary
30 shall conduct a special referendum to determine whether to
31 increase the rate of the state assessment for water quality and
32 soil conservation to equal the rate of the national assessment.

33 *b.* Upon receipt of a petition of producers that otherwise
34 complies with requirements to conduct an initial referendum
35 under section 179.13, subsection 1, the secretary shall include

1 as part of a referendum to increase the rate of the national
2 assessment, a separate special question whether to increase
3 the rate of the state assessment for water quality and soil
4 conservation to equal the increase in the national assessment,
5 if the secretary determines the inclusion of the special
6 question complies with federal law and is either cost-effective
7 or the petition demands inclusion.

8 *c.* The secretary shall conduct the special referendum under
9 this subsection, or include the special question as part of a
10 referendum to increase the national assessment, in consultation
11 with the Iowa state dairy association and which may be based on
12 the same procedures for conducting an initial referendum under
13 section 179.13, subsection 1, or a referendum to increase the
14 rate of the national assessment.

15 *d.* If the national assessment is increased, and the
16 secretary determines that an increase in the state assessment
17 for water quality and soil conservation is favored by a
18 majority of the producers voting in a special referendum or
19 referendum to increase the rate of the national assessment,
20 the rate of the state assessment shall be increased on a date
21 determined by the secretary after consultation with the Iowa
22 state dairy association but not later than six months after the
23 date that the special referendum or referendum establishing a
24 national assessment was conducted. If a special referendum or
25 separate special question to increase the rate of the state
26 assessment for water quality and soil conservation does not
27 pass, the result of the vote shall not affect the existence or
28 length of the period when the state assessment is in effect.

29 4. *a.* If a state assessment for direct use is imposed,
30 and upon receipt of a petition of producers that otherwise
31 complies with requirements to conduct a special referendum
32 under section 179.13, subsection 2, the secretary shall conduct
33 a special referendum to determine whether to terminate the
34 state assessment for water quality and soil conservation.

35 *b.* Upon receipt of a petition of producers that otherwise

1 complies with requirements to conduct a special referendum
2 under section 179.13, subsection 2, the secretary shall include
3 as part of a special referendum to suspend or terminate the
4 state assessment for direct use conducted pursuant to section
5 179.13, subsection 2, a separate special question whether to
6 terminate the state assessment for water quality and soil
7 conservation, if the secretary determines the inclusion of the
8 special question is cost-effective or the petition demands
9 inclusion.

10 c. The secretary shall conduct the special referendum under
11 this subsection or include the separate special question as
12 part of a special referendum conducted under section 179.13,
13 subsection 2, in consultation with the commission and which
14 may be based on the same procedures for conducting a special
15 referendum under section 179.13, subsection 2.

16 d. If the secretary determines that the termination of a
17 state assessment for water quality and soil conservation is
18 favored by a majority of the producers voting in a special
19 referendum under this subsection, or a special referendum
20 conducted under section 179.13, subsection 2, the state
21 assessment shall terminate on a date determined by the
22 secretary after consultation with the commission but not later
23 than six months after the date that the special or initial
24 referendum was conducted. The secretary shall terminate the
25 state assessment in an orderly manner as soon as practical.

26 5. The secretary shall terminate the state assessment for
27 water quality and soil and water conservation upon determining
28 that the state assessment for direct use and the national
29 assessment are terminated. The secretary shall terminate the
30 state assessment in an orderly manner as soon as practical.

31 DIVISION II

32 IOWA BEEF CATTLE PRODUCERS ASSOCIATION — EXECUTIVE COMMITTEE

33 Sec. 13. Section 181.1, subsection 10, Code 2017, is amended
34 to read as follows:

35 10. "*State assessment*" means an excise tax on the sale of

1 ~~cattle imposed pursuant to this chapter~~ which may include a
2 state assessment for direct use and a state assessment for
3 water quality and soil conservation.

4 Sec. 14. Section 181.2, Code 2017, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 5. Cooperate with the division of soil
7 conservation and water quality of the department of agriculture
8 and land stewardship in transferring moneys collected from the
9 state assessment for water quality and soil conservation to the
10 water quality and soil conservation fund created in section
11 466B.51 and for being reimbursed for reasonable expenses
12 incurred in conducting an initial or special referendum to
13 establish, continue, or terminate a state assessment for water
14 quality and soil conservation.

15 Sec. 15. Section 181.7A, Code 2017, is amended to read as
16 follows:

17 **181.7A Commencement of federal assessment — suspension and**
18 **recommencement of state assessment — rate.**

19 1. Prior to the commencement of the collection of
20 the federal assessment, the executive committee may seek
21 certification as a qualified state beef council within the
22 meaning of the federal Act.

23 2. The executive committee shall suspend the state
24 assessment for direct use upon collection of the federal
25 assessment. The state assessment for direct use shall
26 recommence upon the earlier of the following:

27 a. The noncollection of the federal assessment. The
28 recommenced state assessment for direct use shall be imposed
29 for a four-year period. Its effective date shall be the first
30 date for which the federal assessment is not collected.

31 b. The passage of a special referendum pursuant to section
32 181.19 regardless of whether a federal assessment is being
33 collected.

34 3. The rate of the recommenced state assessment shall be the
35 same as the rate that was last in effect under [section 181.19](#)

1 immediately prior to the suspension of the state assessment.

2 4. The state assessment for water quality and soil
3 conservation shall continue to be imposed during any period of
4 suspension of the state assessment for direct use so long as
5 the state assessment for water quality and soil conservation is
6 not terminated pursuant to section 181.19A.

7 Sec. 16. Section 181.8, Code 2017, is amended to read as
8 follows:

9 **181.8 Executive committee — entering premises — examining**
10 **records.**

11 The executive committee may authorize its agents to enter at
12 a reasonable time upon the premises of any purchaser charged
13 by [this chapter](#) with remitting ~~the~~ a state assessment for
14 direct use or a state assessment for water quality and soil
15 conservation to the executive committee, ~~and to~~. The agents
16 may examine records and other instruments relating to the
17 collection of ~~the~~ a state assessment. However, the executive
18 committee must first have reasonable grounds to believe that
19 ~~the~~ a state assessment has not been remitted or fully accounted
20 for.

21 Sec. 17. Section 181.11, Code 2017, is amended to read as
22 follows:

23 **181.11 Collection of state ~~assessment~~ assessments.**

24 1. A state assessment for direct use or a state assessment
25 for water quality and soil conservation imposed as provided in
26 this chapter shall be levied and collected from the purchaser
27 on each sale of cattle at a rate provided in [this chapter](#). The
28 state assessment for direct use or a state assessment for water
29 quality and soil conservation shall be imposed on any person
30 selling cattle and shall be deducted by the purchaser from the
31 price paid to the seller. The purchaser, at the time of the
32 sale, shall make and deliver to the seller a separate invoice
33 for each sale showing the names and addresses of the seller
34 and the purchaser, the number of cattle sold, and the date of
35 sale. The purchaser shall forward the state assessment for

1 direct use and any state assessment for water quality and soil
2 conservation to the executive committee at a time prescribed by
3 the executive committee, but not later than the last day of the
4 month following the end of the prior reporting period in which
5 the cattle are sold.

6 2. The executive committee may enter into arrangements with
7 persons purchasing cattle outside of this state for remitting
8 the state assessment for direct use and any state assessment
9 for water quality and soil conservation by such purchasers.

10 Sec. 18. Section 181.12, Code 2017, is amended to read as
11 follows:

12 **181.12 Remission of state assessment assessments on**
13 **application.**

14 1. a. A person from whom a state assessment for direct
15 use is collected may, by written application filed with the
16 executive committee within ninety days after its collection,
17 have the amount remitted to the person by the executive
18 committee.

19 b. A person from whom a state assessment for water quality
20 and soil conservation is collected may, by written application
21 filed with the council as provided in paragraph "a", have
22 the amount remitted to the person by the division of soil
23 conservation and water quality of the department of agriculture
24 and land stewardship. Within sixty days after its collection,
25 the council shall transmit any approved application to the
26 division for a refund payment.

27 2. The information that ~~the~~ a state assessment described
28 in subsection 1 is refundable and the address of the executive
29 committee to which application for a refund may be made shall
30 appear on the invoice of sale form supplied by the purchaser to
31 the producer near the area on the form which shows the amount
32 of the state assessment paid.

33 3. a. The executive committee shall furnish uniform
34 application for refund forms and make the refund forms readily
35 available to all producers.

1 b. The form shall allow the applicant to elect whether
2 the refund is for the state assessment for direct use or the
3 state assessment for water quality and soil conservation or
4 both. The council shall not approve an application unless the
5 application indicates the election. A purchaser charged by
6 this chapter with remitting the a state assessment shall make
7 the forms readily available to all producers.

8 Sec. 19. Section 181.13, Code 2017, is amended to read as
9 follows:

10 **181.13 Administration of moneys originating from state**
11 **assessment assessments — appropriation.**

12 1. a. All moneys, other than moneys from the state
13 assessments assessment for water quality and soil conservation
14 imposed under this chapter shall be paid to and collected
15 by the executive committee and deposited with the treasurer
16 of state in a separate cattle promotion fund which shall
17 be created by the treasurer of state. The department of
18 administrative services shall transfer moneys from the
19 fund to the executive committee for deposit into an account
20 established by the executive committee in a qualified
21 financial institution. The department shall transfer the
22 moneys as provided in a resolution adopted by the executive
23 committee. However, the department is only required to
24 transfer moneys once during each day and only during hours when
25 the offices of the state are open. From the moneys, other
26 than moneys from the state assessment for water quality and
27 soil conservation, collected, deposited, and transferred to
28 the executive committee, in accordance with the provisions
29 of this chapter, the executive committee shall first pay the
30 costs of referendums held pursuant to this chapter, the costs
31 of collection of such state assessments, and the expenses of
32 its agents. At least ten percent of the remaining moneys shall
33 be remitted to the association in proportions determined by
34 the executive committee, for use in a manner not inconsistent
35 with section 181.7. The remaining moneys, with approval of a

1 majority of the executive committee, shall be expended as the
2 executive committee finds necessary to carry out the provisions
3 and purposes of [this chapter](#). However, in no event shall the
4 total expenses exceed the total amount transferred from the
5 fund for use by the executive committee.

6 ~~2.~~ b. All moneys deposited in the cattle promotion fund and
7 transferred to the executive committee pursuant to [this section](#)
8 are appropriated and shall be used for the administration
9 of [this chapter](#) and for the payment of claims based upon
10 obligations incurred in the performance of activities and
11 functions set forth in [this chapter](#).

12 ~~3.~~ c. If the state assessment for direct use is suspended
13 as provided in [section 181.7A](#) or a continuance special
14 referendum to continue the state assessment for water quality
15 and soil conservation fails to pass as provided in section
16 181.19A, moneys remaining in the cattle promotion fund and
17 transferred to the executive committee shall continue to be
18 transferred and expended in accordance with the provisions of
19 this chapter until exhausted.

20 2. a. All moneys collected from the state assessment
21 for water quality and soil conservation imposed under this
22 chapter shall be paid to and collected by the council and
23 may be deposited in a qualified financial institution until
24 transferred to the water quality and soil conservation fund
25 created in section 466B.51. If the state assessment for water
26 quality and soil conservation is terminated as provided in
27 section 181.19A, the remaining moneys collected from that
28 state assessment shall be immediately transferred to the water
29 quality and soil conservation fund.

30 b. Except as otherwise expressly provided in this chapter,
31 moneys collected from the state assessment for water quality
32 and soil conservation shall not be used for any purpose
33 other than to be transferred to the water quality and soil
34 conservation fund created in section 466B.51.

35 Sec. 20. Section 181.19, Code 2017, is amended to read as

1 follows:

2 **181.19 Initial and special referendums.**

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

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

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

17 b. Determine whether a state assessment for direct use
18 suspended pursuant to [section 181.7A](#) is to be in addition to a
19 federal assessment. The state assessment for direct use shall
20 be imposed at a rate not to exceed one dollar per head on all
21 cattle sold for whatever purpose.

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

27 b. The rate of the state assessment for water quality
28 and soil conservation shall be the same rate as the state
29 assessment for direct use in effect on the date that the
30 special referendum to impose a state assessment for water
31 quality and soil conservation passes. However, if a federal
32 assessment is imposed, the rate of the state assessment for
33 water quality and soil conservation shall be the same rate as
34 the federal assessment. If a state assessment for direct use
35 and a federal assessment are both being imposed, the rate of

1 the state assessment for water quality and soil conservation
2 shall be the same as the rate of the state assessment for
3 direct use plus the rate of the federal assessment.

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

11 5. a. Upon receipt of a petition that otherwise complies
12 with the requirements of subsection 2, the secretary shall
13 conduct a special referendum to change the rate of the state
14 assessment for water quality and soil conservation to equal the
15 rate of the state assessment for direct use and any federal
16 assessment as described in subsection 2.

17 b. Upon receipt of a petition that otherwise complies with
18 the requirements of subsection 2, the secretary shall include
19 as part of the special referendum conducted under subsection
20 2 a separate special question whether to change the rate of
21 the state assessment for water quality and soil conservation
22 to equal the rate of the state assessment for direct use and
23 any federal assessment as described in subsection 2, if the
24 secretary determines the inclusion of the special question is
25 cost-effective or the petition demands inclusion.

26 6. a. If a an initial referendum or a special referendum
27 described in this section passes, the secretary shall establish
28 an effective date to commence the state assessment for direct
29 use or the change in the rate of the state assessment for
30 direct use. However, the state assessment or the change in the
31 rate of the state assessment must be commenced within ninety
32 days from the date that the secretary determines that the
33 referendum has passed.

34 b. If a state assessment for water quality and soil
35 conservation is established or the rate of the state assessment

1 for water quality and soil conservation changes under this
2 section, the secretary shall establish an effective date to
3 commence the state assessment or change the rate of the state
4 assessment in the same manner as provided in paragraph "a".

5 ~~4.~~ 7. a. If a special referendum to increase the rate of
6 the state assessment for direct use does not pass, the result
7 of the special referendum shall not affect the existence or
8 length of the state assessment that is in effect on the date
9 that the special referendum was conducted.

10 b. If a special referendum, or a separate special question
11 that is part of a special referendum conducted under this
12 section, to change the rate of the state assessment for water
13 quality and soil conservation does not pass, the result of the
14 vote shall not affect the existence or period that the state
15 assessment is in effect.

16 8. A state assessment for water quality and soil
17 conservation is terminated on the date that the state
18 assessment for direct use is terminated, unless a federal
19 assessment is imposed.

20 Sec. 21. Section 181.19A, Code 2017, is amended to read as
21 follows:

22 **181.19A ~~Continuance referendum~~ Special referendums —**
23 **continuance or termination.**

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

1 whether to continue the state assessment for direct use.
2 The special referendum shall be conducted not earlier than
3 thirty days before the four-year anniversary date of the state
4 assessment for direct use.

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

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

19 ~~2.~~ 3. a. If the secretary determines that a continuance
20 special referendum has passed under subsection 1, the state
21 assessment for direct use shall continue in effect for four
22 additional years from the anniversary of its effective date.

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

29 ~~3.~~ 4. a. If the secretary determines that ~~the~~ a special
30 referendum to continue the state assessment for direct use has
31 not passed, the secretary and the executive committee shall
32 terminate the state assessment in an orderly manner as soon as
33 practicable after the determination.

34 b. If the secretary determines that a special referendum
35 to continue the state assessment for water quality and soil

1 conservation has not passed, the secretary and the executive
2 committee shall terminate the state assessment in the same
3 manner as described in paragraph "a".

4 c. A state assessment for water quality and soil
5 conservation is terminated on the date that the state
6 assessment for direct use is terminated, unless a federal
7 assessment is imposed.

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

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

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

31 DIVISION III

32 IOWA SHEEP AND WOOL PROMOTION BOARD

33 Sec. 22. Section 182.1, subsection 1, Code 2017, is amended
34 to read as follows:

35 1. "Assessment" means an excise tax on the sale of sheep

1 or wool ~~as provided in this chapter~~ which may include an
2 assessment for direct use and a state assessment for water
3 quality and soil conservation.

4 Sec. 23. Section 182.1, Code 2017, is amended by adding the
5 following new subsection:

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

8 Sec. 24. Section 182.2, Code 2017, is amended to read as
9 follows:

10 **182.2 Petition for initial referendum election.**

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

17 Sec. 25. Section 182.3, Code 2017, is amended to read as
18 follows:

19 **182.3 Notice of initial referendum.**

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

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

30 Sec. 26. Section 182.4, Code 2017, is amended to read as
31 follows:

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

34 1. Each producer who signs a statement certifying that
35 the producer is a bona fide producer is entitled to one vote

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

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

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

26 c. If a majority of voters favor establishing the state
 27 assessment for water quality and soil conservation, the state
 28 assessment shall be imposed in the same manner and for the same
 29 period as the assessment for direct use described in subsection
 30 1.

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

1 referendum is ~~held~~ conducted under this chapter and a majority
 2 of the voters favor establishing a board and ~~imposing the an~~
 3 assessment. If a an initial referendum fails, another initial
 4 referendum shall not be held within conducted for at least
 5 one hundred eighty days from the date of the last initial
 6 referendum.

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

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

34 5. a. Upon receipt of a petition that otherwise complies
 35 with the requirements of subsection 4 requesting a special

1 referendum election to determine whether to terminate the
2 establishment of the state assessment for water quality
3 and soil conservation, the secretary shall call a special
4 referendum to be conducted in the same manner as provided in
5 subsection 4.

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

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

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

23 6. A state assessment for water quality and soil
24 conservation is terminated on the date that the assessment for
25 direct use is terminated. The secretary shall terminate the
26 state assessment in an orderly manner as soon as practical.

27 Sec. 27. Section 182.11, Code 2017, is amended to read as
28 follows:

29 **182.11 Purposes of board.**

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

31 ±. a. Enter into contracts or agreements with or make
32 grants to recognized and qualified agencies, individuals,
33 or organizations for the development and carrying out of
34 research and education programs directed toward better and more
35 efficient production, marketing, and utilization of sheep and

1 wool and their products.

2 ~~2.~~ b. Provide methods and means, including, but not limited
3 to, public relations and other promotion techniques for the
4 maintenance of present markets.

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

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

10 a. Transferring moneys collected from the state assessment
11 for water quality and soil conservation to the water quality
12 and soil conservation fund created in section 466B.51.

13 b. Being reimbursed for reasonable expenses incurred in
14 conducting an initial or special referendum to establish,
15 continue, or terminate a state assessment for water quality and
16 soil conservation.

17 Sec. 28. Section 182.13, Code 2017, is amended to read as
18 follows:

19 **182.13 Compensation — meetings.**

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

28 Sec. 29. Section 182.13B, Code 2017, is amended to read as
29 follows:

30 **182.13B Assessment ~~rate~~ rates.**

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

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

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

5 b. If a majority of voters voting at a special referendum
6 conducted pursuant to section 182.4 approve the establishment
7 of a state assessment for water quality and soil conservation,
8 the state assessment shall be imposed on wool and sheep at the
9 same rates described in paragraph "a".

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

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

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

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

5 a. (1) For the first question, whether to authorize an
6 increase in the rate of assessment rate for direct use to
7 twenty-five cents imposed on each head of sheep.

8 b. (2) For the second question, if the first question is
9 approved by a majority of voters, whether to also authorize the
10 board to increase ~~that assessment~~ the rate of the assessment
11 for direct use by future resolution as provided in this
12 section.

13 b. The special referendum to increase the rate of the state
14 assessment for water quality and soil conservation shall be
15 conducted in the same manner as described in subsection 2 and
16 shall allow a voter to cast a ballot for the following two
17 questions:

18 (1) For the first question, whether to authorize an increase
19 in the rate of state assessment for water quality and soil
20 conservation to twenty-five cents imposed on each head of
21 sheep.

22 (2) For the second question, if the first question is
23 approved by a majority of voters, whether to also authorize
24 the board to increase that rate of state assessment for water
25 quality and soil conservation by future resolution as provided
26 in this section.

27 c. A state assessment for water quality and soil
28 conservation shall not be effective if the state assessment
29 does not equal the assessment for direct use.

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

35 b. If a majority of voters also approve increasing the rate

1 of the state assessment for water quality and soil conservation
2 as described in subsection 3, paragraph "b", subparagraph
3 (1), an additional twenty-five cents shall be imposed on each
4 head of sheep sold by a producer as effectuated by the board
5 pursuant to section 182.12.

6 5. a. If a majority of voters approve both the first and
7 second questions to increase the rate of the assessment for
8 direct use under subsection 3, paragraph "a", subparagraphs (1)
9 and (2), all of the following apply:

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

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

17 b. If a majority of voters also approve increasing the rate
18 of state assessment for water quality and soil conservation as
19 described in subsection 3, paragraph "b", subparagraphs (1) and
20 (2), all of the following shall apply:

21 (1) The rate of the state assessment for water quality and
22 soil conservation shall equal twenty-five cents imposed on each
23 head of sheep sold by a producer.

24 (2) The board may adopt one or more resolutions to further
25 impose an increased rate of state assessment for water quality
26 and soil conservation so long as the rate equals the rate of
27 the assessment for direct use.

28 c. The increased assessment rate of the assessment for
29 direct use or the increased rate of the state assessment for
30 water quality and soil conservation shall be imposed on each
31 head of sheep sold by a producer as effectuated by the board
32 pursuant to section 182.12. The board shall comply with all
33 of the following:

34 (1) The board must wait three or more years from the
35 effective date of the previous action imposing an increase in

1 the rate of the assessment for direct use in order to adopt
 2 a resolution. For the first increase, the effective date is
 3 the date of the special referendum to increase the rate of
 4 the assessment. For any subsequent increase in the rate of
 5 assessment, the effective date is the date that the board last
 6 adopted a resolution imposing an increased rate as provided in
 7 this ~~paragraph "b"~~ subsection.

8 (2) The board must wait three or more years from the
 9 effective date of the previous action imposing an increase
 10 in the rate of the state assessment for water quality and
 11 soil conservation in order to adopt a resolution. For the
 12 first increase, the effective date is the date of the special
 13 referendum to increase the rate of the state assessment for
 14 water quality and soil conservation. For any subsequent
 15 increase, the effective date is the date that the board last
 16 adopted a resolution imposing an increased rate as provided in
 17 this subsection.

18 ~~(2)~~ (3) The board shall not adopt a resolution until it
 19 provides notice to producers of the proposed increase in the
 20 assessment for direct use or the state assessment for water
 21 quality and soil conservation and an opportunity for producers
 22 to submit written or oral comments to the board regarding the
 23 proposed increase. The board may provide notice by publication
 24 in the same manner as provided in [section 182.3](#), publication on
 25 its internet site, mail bearing a United States postal service
 26 postmark, electronic transmission, or hand-delivery.

27 ~~(3)~~ (4) (a) The An increase in the assessment rate of the
 28 assessment for direct use imposed by a resolution adopted by
 29 the board must shall equal five cents. However, the assessment
 30 rate of the assessment for direct use imposed by a resolution
 31 of the board shall not equal more than fifty cents.

32 (b) An increase in the rate of the state assessment for
 33 water quality and soil conservation imposed by resolution
 34 adopted by the board shall equal five cents. However, the rate
 35 of the state assessment for water quality and soil conservation

1 imposed by resolution of the board shall not equal more than
2 fifty cents.

3 6. a. If a majority of voters do not authorize increasing
4 the rate of the assessment rate for direct use pursuant to a
5 special referendum conducted ~~pursuant to~~ under this section,
6 the ~~assessment rate~~ for the assessment for direct use shall be
7 the same as provided in subsection 1, paragraph "a".

8 b. If a majority of voters do not authorize increasing the
9 rate of the assessment for direct use pursuant to a special
10 referendum conducted under this section, the rate for the state
11 assessment for water quality and soil conservation shall be the
12 same as provided in subsection 1, paragraph "b".

13 ~~b.~~ 7. Not more than one special referendum to establish an
14 assessment for direct use or to establish a state assessment
15 for water quality and soil conservation shall be conducted
16 pursuant to this section.

17 Sec. 30. Section 182.14, Code 2017, is amended to read as
18 follows:

19 **182.14 ~~Assessment~~ Assessments.**

20 1. An assessment for direct use or a state assessment for
21 water quality and soil conservation provided in this chapter
22 shall be imposed on the producer as follows:

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

25 (1) If the sale occurs at a concentration point, the
26 assessment shall be imposed at the time of delivery. The first
27 purchaser shall deduct the assessment or state assessment from
28 the price paid to the producer at the time of sale.

29 (2) If the sale does not occur at a concentration point,
30 the producer shall deduct the assessment or state assessment
31 from the amount received from the sale and shall forward the
32 amount deducted to the board within thirty days following each
33 calendar quarter.

34 b. If the producer sells, ships, or otherwise disposes of
35 wool or sheep to any person outside this state, the producer

1 shall deduct the assessment or state assessment from the amount
2 received from the sale and shall forward the amount deducted
3 to the board.

4 2. The assessment for direct use or the state assessment
5 for water quality and soil conservation imposed by [this section](#)
6 shall be remitted to the board not later than thirty days
7 following each calendar quarter during which the assessment
8 amount or state assessment amount was deducted.

9 Sec. 31. Section 182.15, subsection 1, paragraph e, Code
10 2017, is amended to read as follows:

11 e. The rate of withholding and the total amount of the
12 assessment for direct use and the state assessment for water
13 quality and soil conservation withheld. The board may require
14 the invoice to separately indicate the amount withheld for the
15 assessment for direct use and the state assessment for water
16 quality and soil conservation.

17 Sec. 32. Section 182.16, Code 2017, is amended to read as
18 follows:

19 **182.16 ~~Deposit and disbursement~~ Administration of funds**
20 **moneys.**

21 1. The board shall deposit ~~amounts~~ moneys collected from the
22 assessment for direct use imposed pursuant to [section 182.14](#) in
23 an account established pursuant to [section 182.12](#). Expenses
24 and disbursements incurred and made pursuant to [this chapter](#)
25 shall be made by voucher, draft, or check bearing the signature
26 of a person designated by majority vote of the board.

27 2. a. The board may deposit moneys collected from the
28 state assessment for water quality and soil conservation in a
29 qualified financial institution until transferred to the water
30 quality and soil conservation fund created in section 466B.51.

31 b. If the state assessment for water quality and soil
32 conservation is terminated as provided in section 182.4, the
33 remaining moneys collected from that state assessment shall
34 be immediately transferred to the water quality and soil
35 conservation fund.

1 Sec. 33. Section 182.17, Code 2017, is amended to read as
2 follows:

3 **182.17 Refunds.**

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

7 b. A producer who has paid the state assessment for water
8 quality and soil conservation to the board may, by application
9 in writing to the board, secure a refund of all or part of
10 the amount paid to the board. The board shall transmit any
11 approved application for a refund to the division of soil
12 conservation and water quality of the department of agriculture
13 and land stewardship for payment.

14 2. The refund shall be payable only when the application has
15 been made to the board within sixty days after the deduction
16 has been made by the producer or within sixty days after the
17 remittance has been made by the first purchaser.

18 3. Each application for refund by a producer shall have an
19 attached proof indicating that the assessment for direct use
20 was paid. If a state assessment for water quality and soil
21 conservation is imposed, the attached proof shall also indicate
22 that the state assessment has also been paid. The attached
23 proof of the assessment paid may be in the form of a duplicate
24 or certified copy of the purchase invoice by the purchaser.

25 4. The application shall allow the applicant to elect
26 whether the refund is for the assessment for direct use or the
27 state assessment for water quality and soil conservation or
28 both. The board shall not approve an application unless the
29 application indicates the election.

30 Sec. 34. Section 182.18, Code 2017, is amended to read as
31 follows:

32 **182.18 Use of moneys.**

33 1. Moneys from the assessment for direct use collected
34 under this chapter are subject to audit by the auditor of state
35 and shall be used by the ~~Iowa sheep and wool promotion board~~

1 first for the payment of collection and refund expenses, second
2 for payment of the costs and expenses arising in connection
3 with conducting referendums, third for the purposes identified
4 in [section 182.11](#), and fourth for the cost of audits for
5 the auditor of state. Moneys of the board remaining after
6 a special referendum is held at which a majority of the
7 voters favor termination of the board and the assessment for
8 direct use shall continue to be expended in accordance with
9 this chapter until exhausted. The auditor of state may seek
10 reimbursement for the cost of the audit.

11 2. Except as expressly provided in this chapter, moneys
12 collected by the board from the state assessment for water
13 quality and soil conservation shall not be used for any purpose
14 other than to be transferred to the water quality and soil
15 conservation fund created in section 466B.51.

16 ~~2.~~ 3. The board shall not engage in any political activity,
17 and it shall be a condition of any allocation of funds that
18 any organization receiving funds shall not expend the funds on
19 political activity or on any attempt to influence legislation.

20 Sec. 35. Section 182.22, Code 2017, is amended to read as
21 follows:

22 **182.22 Purchasers outside Iowa.**

23 The secretary may enter into arrangements with first
24 purchasers from outside Iowa for payment of the assessment for
25 direct use and the state assessment for water quality and soil
26 conservation.

27 DIVISION IV

28 IOWA PORK PRODUCERS COUNCIL

29 IOWA PORK PRODUCERS ASSOCIATION

30 Sec. 36. Section 183A.1, subsection 1, Code 2017, is amended
31 to read as follows:

32 1. "*Assessment*" means an excise tax on the sale of porcine
33 animals ~~as provided in [this chapter](#)~~ which may include an
34 assessment for direct use and a state assessment for water
35 quality and soil conservation.

1 Sec. 37. Section 183A.1, Code 2017, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 4A. *“National assessment”* means an excise
4 tax on the sale of porcine animals imposed pursuant to the Pork
5 Promotion Act.

6 Sec. 38. Section 183A.1, subsection 7, Code 2017, is amended
7 to read as follows:

8 7. *“Pork Promotion Act”* means the federal Pork Promotion,
9 Research, and Consumer Information Act of 1985, 7 U.S.C. §4801
10 et seq.

11 Sec. 39. Section 183A.5, subsection 1, paragraph i, Code
12 2017, is amended to read as follows:

13 i. Receive, administer, disburse and account for, in
14 addition to the ~~funds~~ moneys received from the assessment for
15 direct use and the state assessment for water quality and soil
16 conservation provided in this chapter, other ~~funds~~ moneys
17 voluntarily contributed to the council for the purpose of
18 promoting the pork industry.

19 Sec. 40. Section 183A.5, Code 2017, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 4. The council shall cooperate with
22 the division of soil conservation and water quality of the
23 department of agriculture and land stewardship in doing all of
24 the following:

25 a. Transferring moneys collected from the state assessment
26 imposed as a result of a special referendum conducted pursuant
27 to section 183A.9 to the water quality and soil conservation
28 fund created in section 466B.51.

29 b. Being reimbursed for reasonable expenses incurred in
30 conducting an initial or special referendum to establish,
31 continue, or terminate a state assessment for water quality and
32 soil conservation.

33 Sec. 41. Section 183A.6, Code 2017, is amended to read as
34 follows:

35 **183A.6 ~~Assessment~~ Assessments.**

1 1. The council shall ~~make~~ impose an assessment for direct
2 use of not less than point zero zero two nor more than point
3 zero zero three of the gross sale price of all porcine animals.
4 The assessment for direct use shall be point zero zero two five
5 of the gross sale price of porcine animals until consent to
6 an assessment has been given through the initial referendum
7 referred to in this chapter. After approval of the initial
8 referendum, the rate of assessment for direct use shall be
9 ~~determined~~ established by the council.

10 2. a. If an assessment for direct use is imposed under
11 subsection 1, the council shall impose a state assessment for
12 water quality and soil conservation if approved at a special
13 referendum conducted pursuant to section 183A.9.

14 b. If a national assessment is imposed under section
15 183A.9A, the Iowa pork producers association shall impose a
16 state assessment for water quality and soil conservation if
17 approved at a special referendum conducted pursuant to section
18 183A.9.

19 3. a. The assessment for direct use and the state
20 assessment for water quality and soil conservation shall be
21 made at the time of delivery of the porcine animals for sale,
22 and shall be deducted by the first purchaser from the price
23 paid to the seller. The first purchaser, at the time of sale,
24 shall make and deliver to the seller an invoice for each
25 purchase showing the names and addresses of the seller and
26 the first purchaser, the number and kind of porcine animals
27 sold, the date of sale, ~~and~~ the assessment for direct use, and
28 any state assessment for water quality and soil conservation,
29 made on the sale. The council may require the invoice to
30 separately indicate the amount withheld for the assessment for
31 direct use and the state assessment for water quality and soil
32 conservation.

33 b. Assessments An assessment for direct use and the state
34 assessment for water quality and soil conservation shall be
35 paid to the Iowa pork producers council or its designated agent

1 by first purchasers at a time prescribed by the council, but
2 not later than the last day of the month following the month in
3 which the animals were purchased.

4 4. If a national assessment is imposed pursuant to section
5 183A.9A, and a state assessment for water quality and soil
6 conservation is imposed under section 183A.9, the Iowa pork
7 producers association shall impose and collect the state
8 assessment for water quality and soil conservation in the same
9 manner as the assessment for direct use set forth in subsection
10 3. However, the Iowa pork producers association may impose
11 and collect the state assessment based on procedures for the
12 national assessment as set forth in the Pork Promotion Act.
13 The invoice may correspond to any invoice required by the Pork
14 Promotion Act.

15 Sec. 42. Section 183A.7, Code 2017, is amended to read as
16 follows:

17 **183A.7 Administration of moneys — appropriation.**

18 1. a. Assessments An assessment for direct use imposed
19 under ~~this chapter~~ pursuant to section 183A.6 and paid to and
20 collected by the Iowa pork producers council shall be deposited
21 in the pork promotion fund which is established in the office
22 of the treasurer of state. The department of administrative
23 services shall transfer moneys from the pork promotion fund
24 to the council for deposit into an account established by the
25 council in a qualified financial institution. The department
26 shall transfer the moneys as provided in a resolution adopted
27 by the council. However, the department is only required to
28 transfer moneys once during each day and only during hours when
29 the offices of the state are open.

30 ~~2.~~ b. All moneys deposited in the pork promotion fund and
31 transferred to the council as provided in this section are
32 appropriated and shall be used for the administration of this
33 chapter and for the payment of claims based upon obligations
34 incurred in the performance of activities and functions set
35 forth in this chapter.

1 ~~3.~~ c. From the moneys collected, deposited, and transferred
2 to the council as provided in [this chapter](#), the council shall
3 first pay the costs of referendums held pursuant to this
4 chapter. Of the moneys remaining, at least twenty-five percent
5 shall be remitted to the national pork producers council and
6 at least fifteen percent shall be remitted to the Iowa pork
7 producers association, in the proportion the ~~committee~~ council
8 determines, for use by recipients in a manner not inconsistent
9 with market development as defined in [section 183A.1](#). Moneys
10 remaining shall be spent as found necessary by the council to
11 further carry out the provisions and purposes of [this chapter](#).

12 ~~4.~~ d. ~~However, in~~ In no event shall the total expenses
13 exceed the total amount of moneys transferred from the pork
14 promotion fund for use by the council.

15 2. a. Moneys collected from a state assessment for water
16 quality and soil conservation by the council may be deposited
17 in a qualified financial institution and shall be transferred
18 to the water quality and soil conservation fund created in
19 section 466B.51.

20 b. If a national assessment is imposed pursuant to section
21 183A.9A, moneys from the state assessment for water quality
22 and soil conservation collected by the Iowa pork producers
23 association shall be transferred to the water quality and soil
24 conservation fund created in section 466B.51.

25 c. The Iowa pork producers association shall maintain
26 separate accounts for moneys collected from the national
27 assessment and the state assessment for water quality and soil
28 conservation.

29 d. The Iowa pork producers association shall adopt rules
30 as necessary to administer this subsection and other sections
31 in this chapter which directly or indirectly relate to this
32 subsection.

33 Sec. 43. Section 183A.8, Code 2017, is amended to read as
34 follows:

35 **183A.8 Refund of assessment assessments.**

1 1. A producer from whom ~~the~~ an assessment for direct use or
2 a state assessment for water quality and soil conservation has
3 been deducted, ~~upon~~ is entitled to receive a refund upon filing
4 a written application filed with the council within thirty days
5 after its collection, ~~shall have that amount refunded by the~~
6 council.

7 2. a. Application If an assessment for direct use or an
8 assessment for direct use and any state assessment for water
9 quality and soil conservation are imposed, application forms
10 shall be given by the council to each first purchaser when
11 requested and the first purchaser shall make the applications
12 available to any producer.

13 b. Each application for a refund by a producer shall
14 have attached a proof of assessment for direct use deducted.
15 If the assessment for direct use and state assessment for
16 water quality and soil conservation are imposed, the attached
17 proof shall indicate the amount of the assessment and the
18 amount of the state assessment deducted. The proof of the
19 assessment for direct use and any state assessment for water
20 quality and soil conservation deducted shall be in the form of
21 the original or a copy of the purchase invoice by the first
22 purchaser. The application shall allow the applicant to elect
23 whether the refund is for the assessment for direct use or the
24 state assessment for water quality and soil conservation or
25 both. The council shall not approve an application unless the
26 application indicates the election.

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

30 a. Remit the amount of the refund of an assessment for
31 direct use to the producer.

32 b. Submit an approved application for the refund of a
33 state assessment for water quality and soil conservation to
34 the division of soil conservation and water quality of the
35 department of agriculture and land stewardship which shall

1 remit the amount of the refund to the producer.

2 4. If a national assessment is established pursuant to
3 section 183A.9A and a state assessment for water quality and
4 soil conservation is established pursuant to section 183A.9,
5 the producer shall file a written application with the Iowa
6 pork producers association in lieu of the council in the same
7 manner as provided in subsection 1 and the Iowa pork producers
8 association shall make applications available to first
9 purchasers as provided in subsection 2. However, the Iowa
10 pork producers association may provide for filing applications
11 for a refund based on any applicable procedures set forth in
12 the Pork Promotion Act. In any case, the Iowa pork producers
13 association must transfer approved applications for refunds
14 to the division of soil conservation and water quality of the
15 department of agriculture and land stewardship for payment to
16 producers in the same manner as described in subsection 3.

17 Sec. 44. Section 183A.9, Code 2017, is amended to read as
18 follows:

19 **183A.9 Referendum Initial and special referendums —**
20 **assessments.**

21 1. At a time designated by the council within eighteen
22 months after the termination of the collection of ~~assessments~~
23 the national assessment imposed under the Pork Promotion Act,
24 the secretary shall conduct an initial referendum ~~under~~ to
25 establish an Iowa pork producers council and an assessment for
26 direct use. The referendum shall be conducted according to
27 administrative procedures ~~prescribed~~ adopted by the department
28 of agriculture and land stewardship.

29 2. If an assessment for direct use is established and upon
30 receipt of a request of ten percent or more of the number
31 of producers eligible to vote, the secretary shall conduct a
32 special referendum to determine whether producers favor the
33 establishment of a state assessment for water quality and soil
34 conservation. The special referendum shall be conducted in
35 the same manner as an initial referendum conducted pursuant

1 to subsection 1. The rate of the state assessment for water
 2 quality and soil conservation shall be equal to the rate of the
 3 assessment for direct use established pursuant to an initial
 4 referendum described in section 183A.6.

5 3. Upon receipt of a petition that otherwise complies with
 6 the requirements of subsection 2, the secretary may in lieu of
 7 conducting a special referendum include as part of the initial
 8 referendum a separate special question whether to establish
 9 a state assessment for water quality and soil conservation,
 10 if the secretary determines it to be cost-effective or the
 11 petition demands it.

12 ~~2.~~ 4. Upon signing a statement certifying to the secretary
 13 that the person is a bona fide producer as defined in this
 14 chapter, each producer is entitled to one vote in each initial
 15 or special referendum. The secretary shall determine the
 16 qualification of producers under this section.

17 ~~3.~~ 5. The secretary shall count and tabulate the ballots
 18 filed during the initial or special referendum within thirty
 19 days of the close of the referendum. If from the tabulation
 20 the secretary determines that a majority of the total number
 21 of producers voting in the initial referendum favors the
 22 establishment of the assessment for direct use, the assessment
 23 provided for in the referendum shall be levied imposed. If
 24 from the tabulation the secretary determines that a majority
 25 of the total number of producers voting in the initial or
 26 special referendum favors the establishment of the state
 27 assessment for water quality and soil conservation, the state
 28 assessment shall be imposed. The ballots cast pursuant to this
 29 section constitute complete and conclusive evidence for use in
 30 determinations made by the secretary under this chapter.

31 ~~4.~~ 6. a. The secretary shall hold subsequent referendums
 32 conduct a special referendum on request of receipt of a
 33 petition signed by ten percent or more of the number of
 34 producers eligible to vote, to determine whether the producers
 35 favor the termination or any of the following:

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

2 (2) The termination of the assessment for direct use and
3 the state assessment for water quality and soil conservation,
4 if established.

5 b. The secretary shall suspend or terminate collection
6 of the assessment for direct use within six months after the
7 secretary determines that suspension or termination of the
8 assessment for direct use is favored by a majority of the
9 producers voting in the special referendum, and. The secretary
10 shall terminate the assessment for direct use in an orderly
11 manner as soon as practicable after the determination.

12 7. a. The secretary shall conduct a special referendum on
13 receipt of a petition of producers otherwise complying with the
14 requirements in subsection 6 to conduct a special referendum
15 to terminate the state assessment for water quality and soil
16 conservation.

17 b. Upon receipt of a petition that otherwise complies
18 with the requirements of subsection 6, the secretary shall
19 include as part of the special referendum conducted under that
20 subsection a separate special question whether to terminate the
21 state assessment for water quality and soil conservation, if
22 the secretary determines the inclusion of the separate special
23 question is cost-effective or the petition demands inclusion.

24 8. The secretary shall terminate the state assessment for
25 water quality and soil conservation in the same manner as
26 provided in subsection 6, upon determining that the council
27 is abolished, the assessment for direct use is not being
28 collected, and the national assessment is not being collected.

29 Sec. 45. Section 183A.9A, Code 2017, is amended to read as
30 follows:

31 **183A.9A Suspension during national order.**

32 1. The terms of all voting members serving on the council on
33 January 31, 1986, terminate at the time provided in subsection

34 2.

35 2. a. On the date of the commencement of the collection

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

15 b. On the date of the commencement of the collection of
 16 the national assessment under the Pork Promotion Act, the Iowa
 17 pork producers association shall assume collection of the
 18 state assessment for water quality and soil conservation under
 19 section 183A.9.

20 3. a. If the rate of the national assessment has changed,
 21 and upon receipt of a petition that otherwise complies
 22 with requirements for submitting a petition to suspend or
 23 terminate an assessment for direct use under section 183A.9,
 24 the secretary shall conduct a special referendum to determine
 25 whether to change the rate of the state assessment for water
 26 quality and soil conservation to equal the rate of the national
 27 assessment.

28 b. Upon receipt of a petition that otherwise complies with
 29 requirements for submitting a petition to suspend or terminate
 30 an assessment for direct use under section 183A.9, the
 31 secretary shall include as part of a referendum to change the
 32 rate of the national assessment, a separate special question
 33 whether to change the rate of the state assessment for water
 34 quality and soil conservation to equal the increase in the
 35 national assessment, if the secretary determines the inclusion

1 of the special question complies with federal law and either it
2 is cost-effective or the petition demands inclusion.

3 c. If the national assessment is changed, and the secretary
4 determines that a change in the state assessment for water
5 quality and soil conservation is favored by a majority of
6 the producers voting in a special referendum or separate
7 special question as part of a referendum to change the rate
8 of the national assessment, the rate of the state assessment
9 shall be changed on a date determined by the secretary after
10 consultation with the Iowa pork producers association but
11 not later than six months after the date that the special
12 referendum or referendum was conducted.

13 ~~3.~~ 4. On the date of the termination of the collection of
14 assessments the national assessment under the Pork Promotion
15 Act, the period of suspension of the assessments assessment for
16 direct use under subsection 2 terminates. The secretary shall
17 collect moneys from the assessments assessment for direct use
18 under section 183A.6 and the state assessment for water quality
19 and soil conservation under section 183A.9 until this duty can
20 be resumed by the reactivated council. The secretary shall
21 deposit moneys collected from the assessment for direct use in
22 the pork promotion fund. The secretary shall transfer moneys
23 collected from the state assessment for water quality and soil
24 conservation to the water quality and soil conservation fund
25 created in section 466B.51.

26 ~~4.~~ 5. On the date of the termination of the collection of
27 assessments the national assessment under the Pork Promotion
28 Act, the period of suspension of the council under subsection 2
29 terminates. Within sixty days from this date, the secretary
30 shall appoint voting members to the council. For purposes of
31 section 183A.3, a voting member so appointed is deemed not to
32 have served a previous consecutive term. The terms of office
33 of voting members of the initial reactivated council shall be
34 determined by lot, but members from the same district shall
35 not serve the same terms. As nearly as possible one-third of

1 the voting members shall serve for one year, one-third of the
2 voting members shall serve for two years, and one-third of the
3 voting members shall serve for three years. Subsequent voting
4 members shall be appointed pursuant to [section 183A.2](#).

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

9 7. The state recognizes the Iowa pork producers association
10 as a state association under the Pork Promotion Act. For
11 purposes of this chapter, "association" shall include a
12 successor state association or other state association that
13 administers the national assessment in Iowa.

14 8. If a state assessment for water quality and soil
15 conservation is established or continued pursuant to sections
16 183A.9 and 183A.9A, the Iowa pork producers association shall
17 administer the state assessment for the period that the Pork
18 Promotion Act is in effect, unless the state assessment is
19 terminated under section 183A.9.

20 9. The Iowa pork producers association shall cooperate with
21 the division of soil conservation and water quality of the
22 department of agriculture and land stewardship in doing all of
23 the following:

24 a. Transferring moneys from the state assessment for water
25 quality and soil conservation to the water quality and soil
26 conservation fund created in section 466B.51.

27 b. Being reimbursed for reasonable expenses incurred in
28 conducting an initial or special referendum to establish,
29 continue, or terminate a state assessment for water quality and
30 soil conservation.

31 DIVISION V

32 IOWA EGG COUNCIL

33 Sec. 46. Section 184.1, subsection 1, Code 2017, is amended
34 to read as follows:

35 1. "Assessment" means an excise tax on the sale of eggs as

1 ~~provided in this chapter~~ which may include an assessment for
2 direct use and a state assessment for water quality and soil
3 conservation.

4 Sec. 47. Section 184.2, Code 2017, is amended to read as
5 follows:

6 **184.2 Establishment of Iowa egg council and assessment**
7 **assessments.**

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

15 2. *a.* If the council has been established, the secretary
16 shall call and the department shall conduct a special
17 referendum upon the department's receipt of a petition that
18 otherwise complies with subsection 1 calling for a state
19 assessment for water quality and soil conservation to be
20 imposed as provided in section 184.3.

21 *b.* Upon receipt of a petition that otherwise complies with
22 subsection 1, the secretary may in lieu of conducting a special
23 referendum include as part of the initial referendum a separate
24 special question whether to establish a state assessment for
25 water quality and soil conservation to be imposed as provided
26 in section 184.3, if the secretary determines the inclusion of
27 the special question is cost-effective or the petition demands
28 inclusion.

29 3. The initial referendum or a special referendum described
30 in this section shall be conducted within sixty days following
31 receipt of the petition. The petitioners shall guarantee
32 payment of the cost of the initial referendum or special
33 referendum by providing evidence of financial security as
34 required by the department.

35 2. 4. The department shall give notice of the initial

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

10 ~~3. a.~~ 5. Each producer who signs a statement certifying
 11 that the producer is a bona fide producer shall be an eligible
 12 voter under this section. An eligible voter is entitled to
 13 cast one vote in each initial referendum or special referendum
 14 conducted under this section.

15 ~~b.~~ 6. At the close of the initial referendum or special
 16 referendum, the secretary shall count and tabulate the ballots
 17 cast.

18 ~~(1)~~ 7. a. If a majority of eligible voters approve
 19 establishing ~~an Iowa egg~~ a council and imposing an assessment
 20 for direct use, a the council and the assessment shall be
 21 established, and ~~an~~ the assessment shall be imposed, commencing
 22 not more than sixty days following the initial referendum as
 23 determined by the council and shall continue until eligible
 24 voters voting in a special referendum held conducted pursuant
 25 to section 184.5 vote to abolish the council and terminate ~~the~~
 26 ~~imposition of the assessment~~ for direct use.

27 b. If a majority of eligible voters approve establishing
 28 a state assessment for water quality and soil conservation,
 29 pursuant to a special referendum, the state assessment shall
 30 be imposed commencing not more than sixty days following the
 31 special referendum as determined by the council. If a majority
 32 of eligible voters approve establishing a state assessment for
 33 water quality and soil conservation, as part of an initial
 34 referendum the state assessment shall be imposed in the same
 35 manner described in paragraph "a". The state assessment

1 for water quality and soil conservation shall continue until
2 eligible voters voting in a special referendum conducted
3 pursuant to section 184.5 vote to do any of the following:

4 (1) Abolish the council and terminate the assessment for
5 direct use.

6 (2) Terminate the state assessment for water quality and
7 soil conservation.

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

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

31 ~~4.~~ 9. Immediately after passage of the question to
32 establish a council and assessment for direct use at the an
33 initial referendum, the secretary shall appoint seven members
34 to the council in accordance with section 184.6 based on
35 nominations made by the Iowa poultry association. The Iowa

1 poultry association shall nominate and the secretary shall
2 appoint two members representing large producers, two members
3 representing medium producers, and three members representing
4 small producers. The department, in consultation with the Iowa
5 poultry association, shall determine initial classifications
6 for small, medium, and large producers. The secretary shall
7 complete the appointments within thirty days following passage
8 of the question at the initial referendum.

9 Sec. 48. Section 184.3, Code 2017, is amended to read as
10 follows:

11 **184.3 Assessment Assessments and state assessments.**

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

19 2. A state assessment for water quality and soil
20 conservation is imposed at the same rate and deducted in the
21 same manner as the assessment for direct use provided in
22 subsection 1.

23 3. The assessment for direct use and the state assessment
24 for water quality and soil conservation shall not be
25 refundable. The assessment is for direct use and state
26 assessment for water quality and soil conservation are due
27 to be paid to the council within thirty days following each
28 calendar quarter, as provided by the council.

29 ~~b.~~ 4. a. Upon request of the council, the secretary shall
30 call a special referendum for producers to vote on whether to
31 authorize an increase in the rate of assessment for direct use
32 to an amount that is more than two and one-half cents imposed
33 on each thirty dozen eggs produced in this state.

34 b. Upon request of the council, the secretary shall
35 call a special referendum for producers to vote on whether

1 to authorize an increase in the state assessment for water
 2 quality and soil conservation to equal the amount of the rate
 3 of the assessment for direct use described in paragraph "a".
 4 The secretary shall include as part of a special referendum
 5 to increase the rate of the assessment for direct use, a
 6 separate special question whether to increase the rate of the
 7 state assessment for water quality and soil conservation to
 8 equal the increase in the assessment for direct use, if the
 9 secretary determines the inclusion of the special question is
 10 cost-effective or the request demands inclusion.

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

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

24 ~~2.~~ 6. a. If the producer sells eggs to a purchaser outside
 25 the state of Iowa, the producer shall deduct the assessment for
 26 direct use from the amount received from the sale and shall
 27 forward the amount deducted to the council within thirty days
 28 following each calendar quarter.

29 b. If the producer sells eggs to a purchaser outside the
 30 state of Iowa, the producer shall deduct the state assessment
 31 for water quality and soil conservation in the same manner as
 32 described in paragraph "a".

33 7. If the producer and processor are the same person, then
 34 that person shall pay the assessment for direct use or the
 35 state assessment for water quality and soil conservation to the

1 council within thirty days following each calendar quarter.

2 ~~3.~~ 8. The council may charge interest on any amount of the
3 an assessment for direct use or a state assessment for water
4 quality and soil conservation that is delinquent. The rate
5 of interest shall not be more than the current rate published
6 in the Iowa administrative bulletin by the department of
7 revenue pursuant to [section 421.7](#). The interest amount shall
8 be computed from the date the assessment for direct use or a
9 state assessment for water quality and soil conservation is
10 delinquent, unless the council designates a later date. The
11 interest amount shall accrue for each month in which there
12 is delinquency calculated as provided in [section 421.7](#), and
13 counting each fraction of a month as an entire month. The
14 interest amount due shall become a part of the assessment for
15 direct use or a state assessment for water quality and soil
16 conservation due.

17 Sec. 49. Section 184.4, subsection 1, paragraph e, Code
18 2017, 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 water
21 quality and soil conservation withheld. The council may
22 require the invoice to separately indicate the amount withheld
23 for the assessment for direct use and for the state assessment
24 for water quality and soil conservation.

25 Sec. 50. Section 184.5, Code 2017, is amended to read as
26 follows:

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

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

35 2. a. A special referendum may be called to terminate

1 the state assessment for water quality and soil conservation
2 established pursuant to section 184.3.

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

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

25 ~~2.~~ 4. The following procedures shall apply to a special
26 referendum conducted pursuant to [this section](#):

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

34 b. Upon signing a statement certifying to the secretary that
35 the producer is an eligible voter, a producer is entitled to

1 one vote in each special referendum conducted pursuant to this
 2 section. The department may conduct the special referendum
 3 by mail, electronic means, or a general meeting of eligible
 4 voters. The department shall conduct the special referendum
 5 and count and tabulate the ballots filed during the special
 6 referendum within thirty days following the close of the
 7 special referendum.

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

13 d. If a majority of eligible voters who vote in the special
 14 referendum approves the continuation of the state assessment
 15 for water quality and soil conservation, the imposition of the
 16 state assessment shall continue for the same period as the
 17 assessment for direct use.

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

34 f. If a majority of the total number of eligible voters
 35 who vote in the special referendum does not approve continuing

1 the state assessment for water quality and soil conservation,
2 the secretary shall terminate the state assessment in an
3 orderly manner as soon as practicable after the determination
4 is made. An additional special referendum or an additional
5 initial referendum that includes a separate special question
6 to establish the state assessment for water quality and soil
7 conservation may be conducted under section 184.2. However,
8 the subsequent special referendum or initial referendum shall
9 not be conducted for at least one hundred eighty days after
10 the date that the last such special referendum or initial
11 referendum was conducted.

12 Sec. 51. Section 184.10, subsection 4, Code 2017, is amended
13 to read as follows:

14 4. Enter into arrangements for the collection of the
15 assessment for direct use and any state assessment for water
16 quality and soil conservation.

17 Sec. 52. Section 184.10, Code 2017, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 8. Cooperate with the division of soil
20 conservation and water quality of the department of agriculture
21 and land stewardship in doing all of the following:

22 a. Transferring moneys from the state assessment for water
23 quality and soil conservation to the water quality and soil
24 conservation fund created in section 466B.51.

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

29 Sec. 53. Section 184.13, Code 2017, is amended to read as
30 follows:

31 **184.13 Administration of moneys.**

32 1. Subject to the provisions of [section 184.3](#), the
33 assessment imposed by ~~this chapter~~ for direct use established
34 pursuant to section 184.3, and the state assessment for water
35 quality and soil conservation if established pursuant to that

1 section, shall be remitted by the purchaser to the council not
2 later than thirty days following each calendar quarter during
3 which the assessment was collected.

4 2. Amounts Moneys collected from the assessment for direct
5 use shall be deposited in the office of the treasurer of
6 state in a separate fund to be known as the Iowa egg fund.
7 The department of administrative services shall transfer
8 moneys from the fund to the council for deposit into an
9 account established by the council in a qualified financial
10 institution. The department shall transfer the moneys as
11 provided in a resolution adopted by the council. However, the
12 department is only required to transfer moneys once during each
13 day and only during hours when the offices of the state are
14 open.

15 3. Moneys collected from a state assessment for water
16 quality and soil conservation by the council may be deposited
17 in a qualified financial institution and shall be transferred
18 to the water quality and soil conservation fund created in
19 section 466B.51.

20 Sec. 54. Section 184.14, Code 2017, is amended to read as
21 follows:

22 **184.14 Use of moneys — appropriation — audit.**

23 1. All moneys deposited in the Iowa egg fund and transferred
24 to the council as provided in [section 184.13](#) are appropriated
25 and shall be used for the administration of [this chapter](#) and
26 for the payment of claims based upon obligations incurred in
27 the performance of activities and functions set forth in this
28 chapter.

29 2. a. Moneys collected, deposited in the fund, and
30 transferred to the council as provided in [this chapter](#) are
31 subject to audit by the auditor of state. The auditor of state
32 may seek reimbursement for the cost of the audit. The moneys
33 transferred to the council shall be used by the council first
34 for the payment of collection expenses, second for payment of
35 the costs and expenses arising in connection with conducting

1 referendums, third to perform the functions and carry out the
2 duties of the council as provided in [this chapter](#), and fourth
3 for the cost of audits by the auditor of state.

4 b. ~~Moneys~~ The moneys remaining after the council is
5 abolished and the imposition of ~~an~~ the assessment for direct
6 use imposed pursuant to section 184.3 is terminated pursuant to
7 a special referendum conducted pursuant to [section 184.5](#) shall
8 continue to be expended in accordance with [this chapter](#) until
9 exhausted.

10 3. If the council is abolished and the assessment for direct
11 use is terminated pursuant to a special referendum conducted
12 under section 184.5, remaining moneys collected from the state
13 assessment for water quality and soil conservation shall be
14 transferred to the water quality and soil conservation fund
15 created in section 466B.51. If the state assessment for water
16 quality and soil conservation is terminated pursuant to a
17 special referendum conducted under that section, remaining
18 moneys collected from the state assessment shall be transferred
19 to the water quality and soil conservation fund created in
20 section 466B.51.

21 4. Except as expressly provided in this chapter, moneys
22 collected from a state assessment for water quality and soil
23 conservation shall not be used for any purpose other than to
24 be transferred to the water quality and soil conservation fund
25 created in section 466B.51.

26 Sec. 55. Section 184.18, Code 2017, is amended to read as
27 follows:

28 **184.18 Purchasers outside Iowa.**

29 The secretary may enter into arrangements with purchasers
30 from outside Iowa for payment of the assessment for direct
31 use and the state assessment for water quality and soil
32 conservation.

33 DIVISION VI

34 IOWA TURKEY MARKETING COUNCIL

35 Sec. 56. Section 184A.1, Code 2017, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 1A. *“Assessment”* means an excise tax
3 imposed on the sale of turkeys which may include an assessment
4 for direct use and a state assessment for water quality and
5 soil conservation.

6 Sec. 57. Section 184A.1A, Code 2017, is amended to read as
7 follows:

8 ~~184A.1A Referendum conducted to establish an Iowa turkey~~
9 ~~marketing council and impose an assessment~~ Referendums and
10 assessments.

11 1. The department shall call and conduct a an initial
12 referendum upon the department’s receipt of a petition which
13 is signed by at least twenty eligible voters requesting a
14 an initial referendum to determine whether to establish an
15 Iowa turkey marketing council as provided in [section 184A.1B](#)
16 and ~~impose~~ establish an assessment for direct use imposed as
17 provided in [section 184A.2](#).

18 2. If a council is established, and upon receipt of a
19 petition that otherwise complies with the requirements of
20 subsection 1, the department shall call and conduct a special
21 referendum to establish a state assessment for water quality
22 and soil conservation as provided in section 184A.2.

23 3. Upon receipt of a petition that otherwise complies with
24 the requirements of subsection 1, the secretary shall include
25 as part of the initial referendum a separate special question
26 whether to establish a state assessment for water quality and
27 soil conservation described in subsection 2, if the secretary
28 determines the inclusion of the separate special question is
29 cost-effective or the petition demands inclusion.

30 4. In order to be an eligible voter under [this section](#),
31 a petitioner must be a qualified producer. The initial or
32 special referendum shall be conducted by election within sixty
33 days following receipt of the petition. The petitioners shall
34 guarantee payment of the cost of the referendum by providing
35 evidence of financial security as required by the department.

1 ~~2.~~ 5. The department shall give notice of ~~the~~ an initial
 2 referendum ~~on the question whether to establish a council and~~
 3 ~~to impose an assessment~~ or special referendum by publishing
 4 the notice 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, the manner of voting, the amount of the
 9 assessment for direct use or the amount of the state assessment
 10 for water quality and soil conservation, and other information
 11 deemed necessary by the department. A referendum or special
 12 referendum shall not be commenced until five days after the
 13 last date of publication.

14 ~~3.~~ ~~a.~~ 6. Each eligible voter who signs a statement
 15 certifying that the eligible voter is a qualified producer
 16 shall be an eligible voter under this section. An eligible
 17 voter is entitled to cast one vote in each initial referendum
 18 or special referendum conducted under this section. The
 19 department may conduct the initial referendum or special
 20 referendum by mail, electronic means, or a general meeting of
 21 eligible voters.

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

25 ~~(1)~~ 8. a. If a majority of eligible voters who vote in
 26 ~~the~~ an initial referendum approve establishing the council and
 27 ~~imposing~~ an assessment for direct use under section 184A.2, a
 28 council and the assessment shall be established, and ~~an~~ the
 29 assessment shall be imposed commencing not more than sixty days
 30 following the initial referendum as determined by the council.
 31 The council and assessment for direct use shall continue for
 32 five years as provided in section 184A.12.

33 b. If a majority of eligible voters who vote in a special
 34 referendum approve establishing a state assessment for water
 35 quality and soil conservation, the state assessment shall be

1 imposed commencing not more than sixty days following the
2 special referendum as determined by the council.

3 ~~(2)~~ c. If a majority of eligible voters who vote in ~~the~~ an
4 initial referendum do not approve establishing the council and
5 ~~imposing the an~~ assessment for direct use, the council shall
6 not be established and an assessment shall not be established
7 and imposed until another initial referendum is held conducted
8 under this section and a majority of the eligible voters voting
9 approve establishing a council and ~~imposing the an~~ assessment
10 for direct use. If a an initial referendum should fail,
11 another initial referendum shall not be ~~held within~~ conducted
12 for at least one hundred eighty days from the date of the last
13 such initial referendum.

14 d. If a majority of the voters do not approve establishing
15 a state assessment for water quality and soil conservation, the
16 state assessment shall not be established and imposed until the
17 question is approved at a special referendum or as part of an
18 initial referendum conducted pursuant to this section. If a
19 special referendum or an initial referendum which includes the
20 question whether to establish a state assessment should fail,
21 the special referendum or an initial referendum which includes
22 the question shall not be conducted for at least one hundred
23 eighty days from the date of the last such special referendum
24 or initial referendum which included the separate special
25 question.

26 ~~4.~~ 9. Within thirty days after approval at the initial
27 referendum to establish a council and ~~to impose~~ an assessment
28 for direct use, the department shall organize the council as
29 provided in section 184A.1B.

30 Sec. 58. Section 184A.1C, subsection 4, Code 2017, is
31 amended to read as follows:

32 4. Enter into arrangements for the collection, ~~and~~ deposit,
33 and use of the assessment for direct use or the collection,
34 deposit, and transfer of the state assessment for water quality
35 and soil conservation.

1 Sec. 59. Section 184A.1C, Code 2017, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 7. Cooperate with the division of soil
4 conservation and water quality of the department of agriculture
5 and land stewardship in doing all of the following:

6 a. Transferring moneys collected from the state assessment
7 for water quality and soil conservation to the water quality
8 and soil conservation fund created in section 466B.51.

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

13 Sec. 60. Section 184A.2, Code 2017, is amended to read as
14 follows:

15 **184A.2 Assessment Assessments — direct use — water quality**
16 **and soil conservation.**

17 1. If an assessment for direct use or a state assessment for
18 water quality and soil conservation is approved by a majority
19 of the eligible voters voting at a an initial referendum or
20 special referendum as provided in [section 184A.1A](#) or [184A.12](#),
21 all of the following shall apply:

22 a. The assessment for direct use or the state assessment for
23 water quality and soil conservation shall be imposed on each
24 turkey delivered for processing.

25 b. The council shall establish a rate of the assessment
26 for direct use and the state assessment for water quality and
27 soil conservation for each turkey delivered for processing.
28 The council may establish different rates based on attributes
29 or characteristics of turkeys. However, a rate shall not be
30 more than three cents for each turkey delivered for processing.
31 The rate of the state assessment for water quality and soil
32 conservation shall equal the assessment for direct use in
33 effect when the referendum establishing the state assessment
34 passes.

35 c. The assessment for direct use or the state assessment

1 for water quality and soil conservation shall be imposed
2 on the producer and collected at the time of delivery of a
3 turkey to the processor. The assessment for direct use and
4 the state assessment for water quality and soil conservation
5 shall be deducted by the processor at the time of delivery
6 from the price paid to the producer at the time of the sale
7 to the processor. A processor shall remit assessments moneys
8 collected from the assessment for direct use or the state
9 assessment for water quality and soil conservation to the
10 council on a monthly basis as provided by the council. The
11 council shall deposit the remitted assessments moneys collected
12 from the assessment for direct use in the Iowa turkey fund as
13 provided in section 184A.4. The council shall transmit moneys
14 collected from the state assessment for water quality and soil
15 conservation to the water quality and soil conservation fund
16 created in section 466B.51.

17 2. The council may enter into agreements with processors
18 from outside this state for the payment of the assessment for
19 direct use and the state assessment for water quality and soil
20 conservation.

21 3. a. The council shall provide for a refund of an
22 assessment for direct use, and of a state assessment for water
23 quality and soil conservation if established, according to
24 rules adopted by the council.

25 b. The council shall publish and disseminate applications
26 for refunds. An application shall allow the applicant to elect
27 whether the refund is for the assessment for direct use or a
28 state assessment for water quality and soil conservation or
29 both. The council shall not approve an application unless the
30 application indicates the election.

31 c. The council shall transmit any approved application for
32 a refund of the state assessment for water quality and soil
33 conservation to the division of soil conservation and water
34 quality of the department of agriculture and land stewardship
35 which shall pay a refund to the producer in the same manner as

1 the council pays a refund to the producer under paragraph "a".

2 Sec. 61. Section 184A.3, Code 2017, is amended to read as
3 follows:

4 **184A.3 ~~Assessment documentation~~ Assessments — documentation.**

5 A processor receiving turkeys for slaughter shall do all of
6 the following:

7 1. At the time of payment to the producer, the processor
8 shall sign and submit a receipt to the producer which includes
9 the rate of the assessment for direct use imposed and the rate
10 of the state assessment for water quality and soil conservation
11 imposed and the amount of the assessment and state assessment
12 for all turkeys delivered for processing.

13 2. Within a period established by rules adopted by the
14 council, the processor shall regularly sign and submit to the
15 council an invoice or other records required by the council
16 to expedite collection of the assessment for direct use and
17 the state assessment for water quality and soil conservation.
18 The council may require that the processor submit a separate
19 invoice for each purchase. The invoice shall be legibly
20 printed and shall not be altered. An invoice shall include all
21 of the following:

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

24 b. The name and address of the processor.

25 c. The number of turkeys sold.

26 d. The date of the delivery.

27 3. The council may require the invoice to separately
28 indicate the amount withheld for the assessment for direct
29 use and the state assessment for water quality and soil
30 conservation.

31 Sec. 62. Section 184A.4, Code 2017, is amended to read as
32 follows:

33 **184A.4 Administration of moneys.**

34 1. a. ~~The assessments~~ Moneys from the assessment for direct
35 use collected by the council as provided in [section 184A.2](#)

1 shall be deposited in the office of the treasurer of state in
2 a special fund known as the Iowa turkey fund. The department
3 of administrative services shall transfer moneys from the
4 fund to the council for deposit into the turkey council
5 account established by the council pursuant to [this section](#).
6 The department shall transfer the moneys as provided in a
7 resolution adopted by the council. However, the department is
8 only required to transfer moneys once during each day and only
9 during hours when the offices of the state are open.

10 ~~2.~~ b. The council shall establish a turkey council
11 account in a qualified financial institution. The council
12 shall provide for the deposit of all of the following into the
13 account:

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

17 ~~b.~~ (2) Moneys, other than assessments moneys collected from
18 the state assessment for water quality and soil conservation,
19 but including moneys in the form of gifts, rents, royalties,
20 or license fees received by the council pursuant to section
21 184A.1C.

22 2. Except as expressly provided in this chapter, moneys
23 collected from the state assessment for water quality and soil
24 conservation under this section shall not be used for any
25 purpose other than to be transferred to the water quality and
26 soil conservation fund created in section 466B.51.

27 Sec. 63. Section 184A.6, Code 2017, is amended to read as
28 follows:

29 **184A.6 Use of moneys in the turkey council account.**

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

33 2. The council shall expend moneys ~~from~~ deposited in the
34 turkey council account first for the payment of expenses for
35 the collection of ~~assessments~~ moneys from the assessment for

1 direct use and the state assessment for water quality and soil
2 conservation, second for the payment of expenses related to
3 conducting a special referendum ~~as provided in~~ conducted under
4 section 184A.12, and third for the cost of performing audits
5 by the auditor of state as required in section 184A.9. The
6 council shall expend remaining moneys for market development,
7 producer education, and the payment of refunds to producers as
8 provided in this chapter.

9 Sec. 64. Section 184A.10, Code 2017, is amended to read as
10 follows:

11 **184A.10 ~~Referendum~~ Referendums.**

12 Upon receipt of a petition signed by at least twenty-five
13 producers requesting an initial referendum ~~election~~ to
14 determine whether to impose the fee assessment for direct use
15 as provided in section 184A.2 the secretary shall call and
16 conduct an initial referendum.

17 Sec. 65. Section 184A.12, Code 2017, is amended to read as
18 follows:

19 **184A.12 ~~Referendum~~ Special referendum conducted to continue**
20 **~~the council and the imposition of the assessment~~ establishment**
21 **of assessments.**

22 1. The council shall call for a special referendum to
23 continue the council established pursuant to section 184A.1A,
24 and to continue the assessment for direct use established
25 pursuant to section 184A.2.

26 2. The council shall call for a special referendum to
27 continue the state assessment for water quality and soil
28 conservation if established pursuant to section 184A.1A. The
29 council may include as part of the special referendum to
30 continue the council and the assessment for direct use under
31 subsection 1, a separate special question whether to continue
32 the state assessment for water quality and soil conservation.

33 3. The council shall call and conduct the a special
34 referendum by election as provided in this section. The
35 department shall oversee the conduct of the special referendum.

1 The special referendum shall be conducted in the fifth year
2 following the initial referendum establishing the council and
3 the assessment for direct use as provided in section 184A.10.

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

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

14 b. Upon signing a statement certifying to the council that
15 a producer is an eligible voter, the producer is entitled to
16 one vote in each special referendum conducted pursuant to
17 this section. In order to be an eligible voter under this
18 section, a producer must be a qualified producer who paid ~~an~~
19 the assessment for direct use and the state assessment for
20 water quality and soil conservation, if established, in the
21 year in which the special referendum is held conducted. The
22 council may conduct the special referendum by mail, electronic
23 means, or a general meeting of eligible voters. The council
24 shall conduct the special referendum and count and tabulate the
25 ballots filed during the special referendum within thirty days
26 following the close of the special referendum.

27 ~~(1)~~ c. If a majority of eligible voters who vote in the
28 special referendum approves ~~the continuation of continuing~~ the
29 council and the ~~imposition of the~~ assessment for direct use,
30 the council and the imposition of the assessment shall continue
31 as provided in this chapter.

32 d. If a majority of eligible voters who vote in the special
33 referendum approves continuing the state assessment for water
34 quality and soil conservation, the imposition of the state
35 assessment shall continue for the same period as the assessment

1 for direct use.

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

17 f. If a majority of eligible voters who vote in the special
18 referendum does not approve continuing the state assessment
19 for water quality and soil conservation, the department shall
20 terminate the state assessment in the same manner as described
21 in paragraph "e". A subsequent special referendum to establish
22 a state assessment for water quality and soil conservation
23 may be conducted as provided in section 184A.1A. However,
24 the subsequent special referendum shall not be conducted for
25 at least one hundred eighty days from the date that the last
26 special referendum was conducted.

27 Sec. 66. Section 184A.12A, Code 2017, is amended to read as
28 follows:

29 **184A.12A Referendum** Special referendum conducted to abolish
30 the council and terminate the ~~imposition of the assessment~~
31 assessments.

32 1. A The department may call and conduct a special
33 referendum may be called to abolish the council established
34 pursuant to sections section 184A.1A and ~~184A.1B,~~ and, to
35 terminate the ~~imposition of the assessment for direct use~~

1 established pursuant to section 184A.2, and to terminate the
2 state assessment for water quality and soil conservation
3 established pursuant to section 184A.2.

4 2. a. The department shall call and conduct, as provided
5 in subsection 3, a special referendum to terminate the state
6 assessment for water quality and soil conservation established
7 pursuant to section 184A.2.

8 b. The department shall include as part of a special
9 referendum to continue the council and the state assessment for
10 direct use conducted under subsection 1, a separate special
11 question to continue the state assessment for water quality and
12 soil conservation, if the department determines the inclusion
13 of the special question is cost-effective or a petition
14 described in subsection 3 demands inclusion.

15 3. The department shall call and conduct the special
16 referendum upon the department's receipt of a petition
17 requesting the special referendum or the inclusion of a
18 separate special question as described in this section. The
19 petition must be signed by at least twenty eligible voters or
20 fifty percent of all eligible voters, whichever is greater. In
21 order to be an eligible voter under this section, a producer
22 must be a qualified producer who paid an the assessment for
23 direct use and the state assessment for water quality and soil
24 conservation, if established, in the year in which the special
25 referendum is held conducted. The special referendum shall
26 be conducted by election within sixty days following receipt
27 of the petition. The petitioners shall guarantee payment of
28 the cost of the special referendum by providing evidence of
29 financial security as required by the department.

30 ~~2.~~ 4. The following procedures shall apply to a special
31 referendum conducted pursuant to this section:

32 a. The department shall publish a notice of the special
33 referendum for a period of not less than five days in at least
34 one newspaper of general circulation in the state and for
35 a similar period in other newspapers as prescribed by the

1 department. The notice shall state the voting places, period
 2 of time for voting, manner of voting, and other information
 3 deemed necessary by the department. A special referendum
 4 shall not be commenced until five days after the last date of
 5 publication.

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

15 ~~(1)~~ *c.* If a majority of eligible voters who vote in the
 16 special referendum approves the continuation of the council and
 17 ~~the imposition of the assessment for direct use~~, the council
 18 and ~~the imposition of the assessment~~ shall continue as provided
 19 in this chapter.

20 *d.* If a majority of eligible voters who vote in the special
 21 referendum approves the continuation of the state assessment
 22 for water quality and soil conservation, the state assessment
 23 shall continue for the same period as the assessment for direct
 24 use.

25 ~~(2)~~ *e.* If a majority of eligible voters who vote in the
 26 special referendum does not approve continuing the council and
 27 ~~the imposition of the assessment for direct use~~, the department
 28 shall terminate the collection of the assessment for direct use
 29 on the first day of the year for which the special referendum
 30 was to continue. The department shall terminate the activities
 31 of the council in an orderly manner as soon as practicable
 32 after the special referendum. A subsequent initial referendum
 33 may be ~~held~~ conducted as provided in section 184A.1A. However,
 34 the subsequent initial referendum shall not be ~~held within~~
 35 conducted for at least one hundred eighty days from the date of

1 that the last special referendum was conducted.

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

17 DIVISION VII

18 IOWA SOYBEAN ASSOCIATION

19 Sec. 67. Section 185.1, subsection 17, Code 2017, is amended
20 to read as follows:

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

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

26 b. A state assessment for water quality and soil
27 conservation.

28 Sec. 68. Section 185.1A, Code 2017, is amended to read as
29 follows:

30 **185.1A Recognition of Iowa soybean association.**

31 1. The corporation known as the Iowa soybean association
32 incorporated under the laws of this state shall be entitled
33 to the benefits of [this chapter](#) by filing each year with the
34 secretary a verified proof of its organization, the names
35 of its officers, and any other information required by the

1 secretary.

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

8 Sec. 69. Section 185.2, Code 2017, is amended to read as
9 follows:

10 **185.2 ~~Petition for election~~ Referendums.**

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

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

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

33 Sec. 70. Section 185.11, Code 2017, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 5. Cooperate with the division of soil

1 conservation and water quality of the department of agriculture
2 and land stewardship in doing all of the following:

3 *a.* Transferring moneys collected from the state assessment
4 for water quality and soil conservation to the water quality
5 and soil conservation fund created in section 466B.51.

6 *b.* Being reimbursed for reasonable expenses incurred in
7 conducting an initial or special referendum to establish,
8 continue, or terminate a state assessment for water quality and
9 soil conservation.

10 Sec. 71. Section 185.13, subsection 4, Code 2017, is amended
11 to read as follows:

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

16 Sec. 72. Section 185.16, Code 2017, 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 a
27 state assessment for water quality and soil conservation shall
28 be given in the same manner as described in subsection 1.

29 Sec. 73. Section 185.17, Code 2017, 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. 74. Section 185.18, Code 2017, 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. 75. Section 185.20, Code 2017, 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. 76. Section 185.21, Code 2017, is amended to read as
19 follows:

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

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 water quality and soil
30 conservation if established pursuant to section 185.2 or
31 continued pursuant to section 185.25 shall be collected by the
32 board and may be deposited in a qualified financial institution
33 until transferred to the water quality and soil conservation
34 fund created in section 466B.51.

35 3. The rate of the state assessment for direct use

1 established as part of a promotional order shall be imposed as
2 follows:

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

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

11 4. The rate of the state assessment for water quality and
12 soil conservation shall be imposed as follows:

13 *a.* If the national assessment is being collected, the rate
14 of the state assessment for water quality and soil conservation
15 shall equal the combined rate of the state assessment for
16 direct use and the national assessment as described in
17 subsection 3, paragraph "a".

18 *b.* If the national assessment is not being collected,
19 the rate of the state assessment for water quality and soil
20 conservation shall be equal to the rate of the state assessment
21 for direct use as described in subsection 3, paragraph "b".

22 Sec. 77. Section 185.22, Code 2017, 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 water quality and soil conservation,
29 deducted from the sale on the purchase invoice.

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

35 Sec. 78. Section 185.23, Code 2017, 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 water quality and soil conservation shall be deducted
5 from the purchase price of soybeans at the time of sale, and
6 forwarded to the board by the first purchaser in the manner and
7 at intervals determined by the board.

8 Sec. 79. Section 185.24, Code 2017, 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 water quality and soil conservation.
32 The board shall transfer any remaining moneys collected from
33 the state assessment for water quality and soil conservation to
34 the water quality and soil conservation fund created in section
35 466B.51.

1 Sec. 80. Section 185.25, Code 2017, is amended to read as
2 follows:

3 **185.25 ~~Special referendum~~ referendums — ~~producer petition~~**
4 **petitions.**

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

9 2. a. Upon receipt of a petition described in subsection 3,
10 the secretary shall call a special referendum to continue the
11 state assessment for water quality and soil conservation.

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

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

29 4. a. If the secretary determines that extension of
30 the promotional order is not favored by a majority of the
31 producers voting in the special referendum, the promotional
32 order shall be terminated as provided in section 185.24. The
33 state assessment for water quality and soil conservation if
34 established shall also be terminated. If the promotional order
35 is terminated under this paragraph, another special referendum

1 to reestablish the promotional order shall not be held within
2 conducted for at least one hundred eighty days after the date
3 that the most recent special referendum was conducted.

4 b. If the secretary determines that a continuance of the
5 state assessment for water quality and soil conservation is
6 not favored by a majority of the producers voting in the
7 special referendum, the state assessment shall be terminated
8 as provided in section 185.24. If the state assessment for
9 water quality and soil conservation is terminated under this
10 paragraph, another special referendum establishing the state
11 assessment or another special referendum that includes a
12 separate special question to establish the state assessment
13 shall not be conducted for at least one hundred eighty days
14 after the date that the last special referendum terminating the
15 state assessment was conducted.

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

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

28 b. If no valid petition for a special referendum to continue
29 the state assessment for water quality and soil conservation
30 is received by the secretary within the time period described
31 in subsection 3, the state assessment shall continue in effect
32 for four additional years from the anniversary of the effective
33 date of the promotional order.

34 **Sec. 81. NEW SECTION. 185.25A National assessment —**
35 **special referendum — change in state assessment rate for water**

1 **quality and soil conservation.**

2 1. If a national assessment is imposed and upon receipt
3 of a petition that otherwise complies with the requirements
4 of section 185.25, the secretary shall conduct a special
5 referendum to change the rate of the state assessment for water
6 quality and soil conservation to equal the combined rate of the
7 national assessment and the state assessment for direct use
8 as provided in section 185.21, subsection 3, paragraph "a".
9 The special referendum shall be conducted in the same manner
10 as a special referendum conducted pursuant to section 185.25.
11 However, the special referendum may be conducted in the same
12 manner and in conjunction with a referendum to change the rate
13 of the national assessment, to the extent permitted by federal
14 law.

15 2. If a national assessment is not imposed and upon receipt
16 of a petition that otherwise complies with the requirements
17 of section 185.25, the secretary shall conduct a special
18 referendum to change the rate of the state assessment for
19 water quality and soil conservation to equal the rate of the
20 state assessment for direct use as provided in section 185.21,
21 subsection 3, paragraph "b". The special referendum shall be
22 conducted in the same manner as a special referendum conducted
23 pursuant to section 185.25.

24 3. If a special referendum or separate special question
25 to change the rate of the state assessment for water quality
26 and soil conservation does not pass, the result of the vote
27 shall not affect the existence or period during which the state
28 assessment is in effect.

29 Sec. 82. Section 185.26, Code 2017, is amended to read as
30 follows:

31 **185.26 Administration of moneys.**

32 1. a. The Moneys from a state assessment for direct use
33 imposed as part of a promotional order and collected by the
34 board shall be deposited in a special fund known as the soybean
35 promotion fund, in the office of the treasurer of state. The

1 fund may also ~~contain~~ include any gifts or federal or state
2 grant received by the board. ~~Moneys~~ The moneys collected,
3 deposited into the fund, and transferred to the board, as
4 provided in this chapter, shall be subject to audit by the
5 auditor of state.

6 b. The department of administrative services shall
7 transfer moneys from the fund to the board for deposit into an
8 account known as the soybean checkoff account which shall be
9 established by the board in a qualified financial institution.
10 The department shall transfer the moneys into the account as
11 provided in a resolution adopted by the board. However, the
12 department is only required to transfer moneys once during each
13 day and only during hours when the offices of the state are
14 open.

15 c. From moneys collected, deposited, and transferred to the
16 soybean checkoff account as provided in this section, the board
17 shall first pay the costs of initial and special referendums,
18 elections, and other expenses incurred in the administration of
19 this chapter, before moneys may be expended to carry out the
20 purposes of the board as provided in section 185.11. The board
21 shall strictly segregate moneys in the soybean checkoff account
22 from all other moneys of the board. Moneys in the soybean
23 checkoff account shall be expended by the board exclusively for
24 carrying out the purposes of the board as provided in section
25 185.11. The account shall be subject to audit by the auditor
26 of state.

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

32 ~~2.~~ 3. The fiscal year of the association shall commence on
33 October 1 and end on September 30.

34 Sec. 83. Section 185.27, Code 2017, is amended to read as
35 follows:

1 **185.27 Refund of assessment.**

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

8 b. A producer who has sold soybeans and had the state
9 assessment for water quality and soil conservation deducted
10 from the sale price may, by application in writing to the
11 board, secure a refund of the amount deducted payable by
12 the division of soil conservation and water quality of the
13 department of agriculture and land stewardship. The board
14 shall forward approved applications to the division within
15 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
20 thereto proof of assessment deducted. The proof of assessment
21 may be in the form of a duplicate or certified copy of the
22 purchase invoice by the first purchaser. ~~The board shall~~
23 ~~have thirty days from the date the application for refund is~~
24 ~~received to remit the refund to the producer.~~ The form shall
25 allow the applicant to elect whether the refund is for the
26 state assessment for direct use or for the state assessment for
27 water quality and soil conservation or both. The board shall
28 not approve an application unless the application indicates the
29 election.

30 Sec. 84. Section 185.28, Code 2017, is amended to read as
31 follows:

32 **185.28 Use of moneys — appropriation.**

33 1. All moneys collected, deposited, and transferred to the
34 board as provided in [this chapter](#), are appropriated and shall
35 be used for the administration of [this chapter](#) by the board and

1 for the payment of claims by the board based upon obligations
2 incurred in the performance of board activities and functions
3 provided in [this chapter](#).

4 2. Except as expressly provided in this chapter, moneys
5 collected from the state assessment for water quality and soil
6 conservation under this section shall not be used for any
7 purpose other than to be transferred to the water quality and
8 soil conservation fund created in section 466B.51.

9 Sec. 85. Section 185.29, Code 2017, is amended to read as
10 follows:

11 **185.29 Remission of remaining moneys.**

12 1. After the board has paid the costs of elections,
13 referendum, necessary board expenses, and administrative costs,
14 the remaining moneys collected, deposited in the soybean
15 promotion fund, and transferred to the soybean checkoff account
16 as provided in [section 185.26](#) shall be expended by the board as
17 is necessary to carry out its purposes as provided in section
18 185.11.

19 2. Notwithstanding subsection 1, moneys collected from a
20 state assessment for water quality and soil conservation by
21 the board shall be transferred to the water quality and soil
22 conservation fund created in section 466B.51.

23 Sec. 86. Section 185.33, Code 2017, is amended to read as
24 follows:

25 **185.33 Report.**

26 The board shall each year prepare and submit a report
27 summarizing the activities of the board under [this chapter](#) to
28 the auditor of state and the secretary ~~of agriculture~~. The
29 report shall show all income, expenses, and other relevant
30 information concerning ~~fees~~ state assessments for direct use
31 collected and expended under the provisions of [this chapter](#).

32 DIVISION VIII

33 IOWA CORN PROMOTION BOARD

34 Sec. 87. Section 185C.1, subsection 17, Code 2017, is
35 amended to read as follows:

1 17. "State assessment" means a state excise tax on each
2 bushel of corn marketed in this state which is imposed ~~as part~~
3 ~~of a promotional order to administer this chapter~~ pursuant to a
4 state assessment for direct use or a state assessment for water
5 quality and soil conservation.

6 Sec. 88. Section 185C.2, Code 2017, is amended to read as
7 follows:

8 **185C.2 ~~Petition for election~~ Referendums.**

9 1. Upon receipt of a petition signed by at least five
10 hundred producers requesting an initial referendum election
11 to determine whether a promotional order shall be placed in
12 effect, the secretary shall call an initial referendum election
13 to be conducted within sixty days following receipt of the
14 petition. Producers shall vote by written ballot in the manner
15 provided by this chapter for a referendum elections to approve
16 the passage of a promotional order.

17 2. a. If a promotional order is placed into effect, and
18 upon receipt of a petition that otherwise complies with the
19 requirements of subsection 1, the secretary shall conduct a
20 special referendum to establish a state assessment for water
21 quality and soil conservation.

22 b. Upon receipt of a petition that otherwise complies with
23 the requirements of subsection 1, the secretary shall include
24 as part of the initial referendum a separate special question
25 whether to establish a state assessment for water quality
26 and soil conservation as described in this section, if the
27 secretary determines the inclusion of the special question is
28 cost-effective or the petition demands inclusion.

29 Sec. 89. Section 185C.3, Code 2017, is amended to read as
30 follows:

31 **185C.3 Establishment of corn promotion board.**

32 If a majority of the producers voting in the an initial
33 referendum election conducted pursuant to section 185C.2
34 approve the passage of the promotional order, an Iowa corn
35 promotion board shall be established.

1 Sec. 90. Section 185C.11, subsection 1, Code 2017, is
2 amended by adding the following new paragraph:

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

6 (1) Transferring moneys collected from the state assessment
7 for water quality and soil conservation to the water quality
8 and soil conservation fund created in section 466B.51.

9 (2) Being reimbursed for reasonable expenses incurred
10 in conducting an initial or special referendum to establish,
11 continue, or terminate a state assessment for water quality and
12 soil conservation.

13 Sec. 91. Section 185C.11A, Code 2017, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 5. The board shall not expend moneys
16 collected from the state assessment for water quality and soil
17 conservation to support the program.

18 Sec. 92. Section 185C.15, Code 2017, is amended to read as
19 follows:

20 **185C.15 Term of promotional order — automatic extension.**

21 A promotional order shall be effective for four years from
22 its effective date. Upon the date that ~~an~~ the promotional
23 order is due to expire the order shall automatically be
24 extended for an additional four years from the date that the
25 order or last extension would otherwise expire, except as
26 provided in section 185C.24. A state assessment for water
27 quality and soil conservation shall continue for the same
28 period as the promotional order unless the state assessment for
29 water quality and soil conservation is terminated as provided
30 in section 185C.24.

31 Sec. 93. Section 185C.21, Code 2017, is amended to read as
32 follows:

33 **185C.21 State assessment assessments — rates.**

34 1. The board shall determine and set the rate of the state
35 assessment rate for direct use as part of the promotional

1 order. ~~State assessments~~ A state assessment for direct use
2 collected pursuant to the promotional order shall be paid
3 into the corn promotion fund established in section 185C.26.
4 Except as provided in ~~subsection 2~~ subsections 2 and 3, a state
5 assessment shall not exceed one-quarter of one cent per bushel
6 upon corn marketed in this state.

7 2. Upon request of the board, the secretary shall call
8 a special referendum for producers to vote on whether to
9 authorize an increase in the rate of the state assessment
10 for direct use above one-quarter of one cent per bushel,
11 notwithstanding subsection 1. The special referendum shall be
12 conducted as provided in this chapter for ~~referendum elections~~
13 referendums. However, the special referendum shall not affect
14 the existence or length of the promotional order in effect. If
15 a majority of the producers voting in the special referendum
16 approve the increase, the board may increase the assessment to
17 the amount approved in the special referendum. The board shall
18 establish the effective date of a rate change. However, the
19 rate of a state assessment for direct use shall not exceed a
20 scheduled maximum rate determined as follows:

21 a. Before September 1, 2014, one cent.

22 b. For each marketing year of the period beginning September
23 1, 2014, and ending August 31, 2019, two cents.

24 c. For each marketing year beginning on and after September
25 1, 2019, three cents.

26 3. The rate of the state assessment for water quality and
27 soil conservation shall equal the rate of the state assessment
28 for direct use in effect on the date that the special
29 referendum establishing the state assessment for water quality
30 and soil conservation is approved.

31 4. a. Upon request of the board, the secretary shall
32 call a special referendum for producers to vote on whether to
33 authorize an increase in the state assessment for water quality
34 and soil conservation to equal the same rate in effect under
35 subsection 2. The special referendum shall be conducted in the

1 same manner as provided in that subsection.

2 b. Upon request of the board, the secretary shall include
3 as part of the special referendum conducted under subsection
4 2 a separate special question whether to increase the rate of
5 the state assessment for water quality and soil conservation
6 to equal the rate of the proposed increased amount of the
7 state assessment for direct use, if the secretary determines
8 the inclusion of the special question is cost-effective or the
9 request demands inclusion.

10 Sec. 94. Section 185C.22, Code 2017, is amended to read as
11 follows:

12 **185C.22 State ~~assessment~~ assessments on purchase invoice.**

13 1. After a promotional order has been issued, the first
14 purchaser at the time of payment for corn shall show the
15 total amount of state assessment for direct use and the state
16 assessment for water quality and soil conservation deducted
17 from the sale on the purchase invoice.

18 2. The board may require the invoice to separately indicate
19 the amount withheld for the state assessment for direct use and
20 the state assessment for water quality and soil conservation.
21 The invoice may correspond to any invoice required to collect
22 the federal assessment pursuant to section 185C.25A.

23 Sec. 95. Section 185C.24, Code 2017, is amended to read as
24 follows:

25 **185C.24 Cancellation, and suspension, and termination.**

26 1. The board shall be suspended and board operations and
27 terms of members shall cease upon either of the following
28 events:

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

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

33 2. However, notwithstanding [subsection 1](#), the board shall
34 continue to operate until proceeds remaining in the corn
35 promotion fund are disbursed. Disbursement shall be made as

1 provided for payment of moneys under [section 185C.26](#).

2 3. If a state assessment for direct use and the federal
3 assessment are not imposed, the board shall continue to
4 transfer remaining moneys collected from the state assessment
5 for water quality and soil conservation to the water quality
6 and soil conservation fund created in section 466B.51.

7 ~~3.~~ 4. The secretary shall order that the board be
8 reconstituted upon either of the following events:

9 a. Recommencement of the promotional order, pursuant to
10 section 185C.25.

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

13 ~~4.~~ 5. Until the board is reconstituted under section
14 185C.8, the secretary has the powers to perform the duties of
15 the board as provided in [this chapter](#), including the collection
16 of the state assessment for direct use at the rate in effect
17 on the date when collection of the state assessment for direct
18 use was terminated pursuant to [section 185C.25](#). However, the
19 secretary shall not expend ~~funds~~ moneys collected from the
20 state assessment for direct use.

21 6. Until the board is reconstituted, the secretary may
22 collect the state assessment for water quality and soil
23 conservation equal to the rate when the state assessment for
24 water quality and soil conservation was terminated. The
25 secretary shall transfer the collected moneys to the water
26 quality and soil conservation fund created in section 466B.51.

27 Sec. 96. Section 185C.25, Code 2017, is amended to read as
28 follows:

29 **185C.25 Effective period of promotional order and state**
30 **assessments — special referendums — termination.**

31 1. a. A state assessment for direct use adopted upon the
32 initiation of a promotional order shall be collected during the
33 effective period of the order, and shall have no effect upon
34 termination of the promotional order.

35 b. A state assessment for water quality and soil

1 conservation if established shall be collected during the
2 effective period of the promotional order, and shall have no
3 effect upon the termination of the promotional order. However,
4 the state assessment for water quality and soil conservation
5 shall still be collected during any period in which a federal
6 assessment is collected, unless the state assessment is
7 terminated under this section.

8 2. Upon adoption or extension of the promotional order, the
9 order shall be effective for the period described in section
10 185C.15 unless the order is terminated as provided in this
11 section or suspended as provided in [section 185C.25A](#).

12 ~~2.~~ 3. The secretary shall call a special referendum to
13 terminate the promotional order including the state assessment
14 for direct use imposed as part of the promotional order, and
15 the state assessment for water quality and soil conservation
16 if established.

17 4. a. The secretary shall call, as provided in subsection
18 5, a special referendum to terminate the state assessment for
19 water quality and soil conservation if established.

20 b. The secretary shall include as part of the special
21 referendum conducted under subsection 3, a separate special
22 question whether to terminate the state assessment for water
23 quality and soil conservation, if the secretary determines the
24 inclusion of the special question is cost-effective or the
25 petition described in subsection 5 demands inclusion.

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

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

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

34 c. The secretary receives the petition not less than one
35 hundred fifty days from the date that the order is due to

1 expire, but receives the petition not more than two hundred
2 forty days before the date that the order is due to expire.

3 ~~3.~~ 6. a. The secretary shall conduct the ~~election as~~
4 ~~provided for a~~ special referendum to terminate the promotional
5 order including the state assessment for direct use and the
6 state assessment for water quality and soil conservation in
7 the same manner as an initial referendum conducted under this
8 chapter, including sections 185C.16 through 185C.20.

9 b. The secretary shall conduct the special referendum to
10 terminate the state assessment for water quality and soil
11 conservation in the same manner as an initial referendum
12 conducted under this chapter, including sections 185C.16
13 through 185C.20.

14 7. a. If upon counting and tabulating the ballots, the
15 secretary determines that a majority of voting producers ~~favor~~
16 favours termination of the state assessment for direct use, the
17 secretary, in cooperation with the board, shall terminate the
18 state assessment for direct use in an orderly manner as soon
19 as practicable.

20 b. If upon counting and tabulating the ballots, the
21 secretary determines that a majority of voting producers favors
22 termination of the state assessment for water quality and soil
23 conservation, the secretary, in cooperation with the board,
24 shall terminate the state assessment for water quality and soil
25 conservation in an orderly manner as soon as practicable.

26 ~~4.~~ 8. a. If ~~the~~ a state assessment for direct use is
27 terminated, ~~another~~ an initial referendum shall not be held
28 conducted for at least one hundred eighty days from the date
29 that the state assessment is terminated.

30 b. If a state assessment for water quality and soil
31 conservation is terminated, another special referendum or
32 another special referendum which includes a separate special
33 question to establish a state assessment shall not be conducted
34 for at least one hundred eighty days from the date that the
35 state assessment is terminated.

1 9. A succeeding special referendum to restore the state
 2 assessment for direct use shall be called by the secretary
 3 upon receipt of a petition of at least five hundred producers
 4 requesting a the special referendum. The petitioners shall
 5 guarantee the costs of the succeeding referendum. The
 6 secretary shall conduct the election special referendum as
 7 provided for a an initial referendum under this chapter
 8 section 185C.2 not later than one hundred fifty days after
 9 the secretary receives the petition. If a referendum held
 10 conducted pursuant to this subsection is approved by producers,
 11 the promotional order shall commence no later than two hundred
 12 ten days following the date that the petition is received by
 13 the secretary.

14 10. a. A succeeding special referendum to restore the state
 15 assessment for water quality and soil conservation shall be
 16 called by the secretary upon petition that otherwise complies
 17 with a petition to restore the state assessment for direct use
 18 under subsection 9. The secretary shall conduct the succeeding
 19 special referendum in the same manner as a succeeding special
 20 referendum conducted under that subsection. If a special
 21 referendum conducted pursuant to this paragraph is approved
 22 by producers, the state assessment for water quality and soil
 23 conservation shall commence not later than two hundred ten
 24 days following the date that the petition is received by the
 25 secretary.

26 b. Upon receipt of a petition that otherwise complies
 27 with a petition to restore the state assessment for direct
 28 use under subsection 9, the secretary shall include as part
 29 of the succeeding special referendum conducted under that
 30 subsection a separate special question whether to restore the
 31 state assessment for water quality and soil conservation, if
 32 the secretary determines the inclusion of the special question
 33 is cost-effective or the request demands inclusion.

34 Sec. 97. Section 185C.25A, Code 2017, is amended to read as
 35 follows:

1 **185C.25A Collection of federal assessment.**

2 1. a. Prior to the collection of the federal assessment,
3 the board may approve the continued collection of the state
4 assessment for direct use as part of the promotional order
5 during the collection of the federal assessment.

6 b. If a federal assessment is collected, the state
7 assessment for water quality and soil conservation, if
8 established, shall continue to be imposed until terminated
9 under section 185C.25.

10 2. If the ~~collection of~~ amount collected from the state
11 assessment for direct use would be in addition to, and not an
12 offset against, the ~~collection of~~ amount collected from the
13 federal assessment, the board shall suspend the collection
14 of the state assessment. On the date of the termination or
15 suspension of the federal assessment, the promotional order
16 shall recommence and the suspension of the state assessment for
17 direct use shall terminate. The termination or suspension of
18 the federal assessment shall not affect the state assessment
19 for water quality and soil conservation.

20 Sec. 98. Section 185C.26, Code 2017, is amended to read as
21 follows:

22 **185C.26 Deposit of moneys — corn promotion fund —**
23 **administration of moneys.**

24 1. a. A Moneys from a state assessment for direct use
25 imposed as part of a promotional order and collected by the
26 board from a sale of corn shall be deposited in the office of
27 the treasurer of state in a special fund known as the corn
28 promotion fund. The corn promotion fund may also include
29 any gifts, rents, royalties, interest, license fees, or a
30 federal or state grant received by the board. ~~Moneys~~ The
31 moneys collected, deposited in the corn promotion fund, and
32 transferred to the board as provided in this chapter shall be
33 subject to audit by the auditor of state. The auditor of state
34 may seek reimbursement for the cost of the audit from moneys
35 deposited in the fund as provided in this chapter.

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

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

15 2. Moneys from a state assessment for water quality and
16 soil conservation collected by the board may be deposited in
17 a qualified financial institution and shall be transferred to
18 the water quality and soil conservation fund created in section
19 466B.51.

20 Sec. 99. Section 185C.27, Code 2017, is amended to read as
21 follows:

22 **185C.27 Refund of ~~assessment~~ state assessments.**

23 1. a. A producer who has sold corn and had a state
24 assessment for direct use deducted from the sale price, by
25 application in writing to the board, may secure a refund in the
26 amount deducted. The refund shall be payable only when the
27 application shall have been made to the board within sixty days
28 after the deduction. The board shall have thirty days from the
29 date the application for refund is received to remit the refund
30 to the producer.

31 b. A producer who has sold corn and had the state assessment
32 for water quality and soil conservation deducted from the sale
33 price may, by application in writing to the board, secure
34 a refund of the amount deducted payable by the division of
35 soil conservation and water quality of the department of

1 agriculture and land stewardship. The board shall forward
2 approved applications to the division within sixty days after
3 the deduction.

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

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

21 b. The board may provide for filing applications for a
22 refund of the state assessment for direct use and the state
23 assessment for water quality and soil conservation based on
24 applicable procedures for the filing of applications for
25 refunds of the federal assessment.

26 Sec. 100. Section 185C.29, subsection 1, Code 2017, is
27 amended to read as follows:

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

35 Sec. 101. Section 185C.33, Code 2017, is amended to read as

1 follows:

2 **185C.33 Report.**

3 The board shall each year prepare and submit a report
4 summarizing the activities of the board under **this chapter** to
5 the auditor of state and the secretary ~~of agriculture~~. The
6 report shall show all income, expenses, and other relevant
7 information concerning fees the state assessment for direct use
8 collected and expended under the provisions of **this chapter**.

9

DIVISION IX

10

WATER QUALITY AND SOIL CONSERVATION FUND

11

12 **Sec. 102. NEW SECTION. 7D.10B Payment to the water quality
and soil conservation fund.**

13

14 If moneys are not sufficient to reimburse the department of
15 agriculture and land stewardship or a commodity organization
16 described in section 466B.51 for reasonable expenses incurred
17 in conducting a referendum to establish, continue, or terminate
18 a state assessment for water quality and soil conservation, the
19 executive council may authorize as an expense paid from the
20 appropriations addressed in section 7D.29 the payment of an
21 amount to the water quality and soil conservation fund created
22 in section 466B.51. However, not more than a total of one
23 hundred thousand dollars shall be paid pursuant to this section
24 to the fund at any one time to pay for expenses incurred in
conducting a referendum.

25

26 **Sec. 103. NEW SECTION. 466B.51 Water quality and soil
conservation fund.**

27

28 1. A water quality and soil conservation fund is created
29 in the state treasury under the management and control of
30 the division of soil conservation and water quality of the
department of agriculture and land stewardship.

31

32 2. *a.* The fund is composed of moneys collected from state
33 assessments for water quality and soil conservation from all of
the following commodity organizations:

34

35 (1) The Iowa dairy industry commission as established in
chapter 179 or the Iowa state dairy association as recognized

1 in that chapter, which shall transfer moneys collected from the
2 state assessment for water quality and soil conservation as
3 provided in that chapter, including section 179.5.

4 (2) The Iowa beef cattle producers association, including
5 its executive committee, as established in chapter 181 which
6 shall transfer the moneys to the fund as provided in that
7 chapter, including section 181.13.

8 (3) The Iowa sheep and wool promotion board established
9 pursuant to chapter 182 which shall transfer the moneys to the
10 fund as provided in that chapter, including section 182.18.

11 (4) The Iowa pork producers council as established in
12 chapter 183A, or the Iowa pork producers association as
13 recognized in that chapter, which shall transfer the moneys to
14 the fund as provided in that chapter, including section 183A.7.

15 (5) The Iowa egg council as established in chapter 184
16 which shall transfer the moneys to the fund as provided in that
17 chapter, including section 184.13.

18 (6) The Iowa turkey marketing council as established in
19 chapter 184A which shall transfer the moneys to the fund as
20 provided in that chapter, including section 184A.4.

21 (7) The Iowa soybean association as recognized in chapter
22 185 which shall transfer the moneys to the fund as provided in
23 that chapter, including section 185.26.

24 (8) The Iowa corn promotion board as established in chapter
25 185C which shall transfer the moneys to the fund as provided in
26 that chapter, including section 185C.26.

27 *b.* The fund may include any other moneys available to
28 and obtained or accepted by the division from the federal
29 government or private sources for placement in the fund.

30 3. Moneys in the fund shall be expended by the division to
31 support programs and projects administered by the division to
32 improve the state's watersheds and surface waters, including
33 but not limited to projects associated with the water quality
34 initiative established pursuant to section 466B.42. Moneys
35 in the fund shall also be used to support soil conservation

1 and watershed protection, the installation of conservation
2 practices and watershed protection improvements as provided in
3 chapters 161A, 161C, 461A, 466, and 466A.

4 4. The division shall remit refunds of moneys to persons
5 who have paid state assessments to a commodity organization as
6 described in subsection 2, if the application for a refund has
7 been approved by the commodity organization and submitted to
8 the division as required by the division.

9 5. The division shall reimburse the department of
10 agriculture and land stewardship or a commodity organization
11 for all reasonable costs of conducting a referendum to
12 determine if a state assessment for water quality and soil
13 conservation will be established, continued, or terminated.
14 The department shall apply to the executive council if
15 necessary to receive moneys required to pay for reasonable
16 costs of conducting a referendum as provided in section 7D.10B.

17 6. Notwithstanding section 8.33, moneys in the fund shall
18 not revert. Notwithstanding section 12C.7, subsection 2,
19 interest or earnings on moneys in the fund shall be credited
20 to the fund.

21 DIVISION X

22 ADMINISTRATION

23 Sec. 104. NAME CHANGE TO REFERENDUM FOR DIRECT USE. Nothing
24 in this Act requires the department of agriculture and land
25 stewardship or a commodity organization described in section
26 466B.51, as enacted in this Act, to conduct a referendum
27 because of this Act's reference to a referendum as a referendum
28 for direct use.

29 EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 This bill relates to agricultural commodity organizations
33 representing producers of that commodity that are authorized
34 to impose an excise tax or "assessment" (and commonly
35 referred to as a "checkoff") on the commodity when first

1 sold by the producer to a first purchaser. The goal of the
2 assessment is to fund promotional activities which involve
3 market development, research, and education. The commodity
4 organizations include the Iowa dairy industry commission or
5 Iowa state dairy association (Code chapter 179), Iowa beef
6 cattle producers association (Code chapter 181), Iowa sheep and
7 wool promotion board (Code chapter 182), Iowa pork producers
8 council or Iowa pork producers association (Code chapter 183A),
9 Iowa egg council (Code chapter 184), the Iowa turkey marketing
10 council (Code chapter 184A), the Iowa soybean association
11 (Code chapter 185), and the Iowa corn promotion board (Code
12 chapter 185C). The bill requires a commodity organization to
13 establish a separate state assessment for water quality and
14 soil conservation, if approved by a majority of its members at
15 a referendum. The bill also requires commodity organizations
16 to conduct a special referendum to increase the rate of the
17 assessment for water quality and soil conservation to equal
18 any increase in the assessment for direct use or national
19 assessment or both. Expenses associated with conducting a
20 referendum would be paid from moneys deposited into the fund
21 or by the executive council if moneys in the fund were not
22 adequate to cover expenses. The referendum would be conducted
23 in the same manner as an initial or special referendum
24 conducted by the commodity organization under its specific
25 Code chapter. The special assessment could be continued or
26 terminated in the same manner as the commodity organization's
27 assessment for promotional activities. The amount of the
28 state assessment would be the same as the effective rate for
29 the promotional assessment imposed under state or federal law.
30 Moneys from the state assessment would be collected by the
31 commodity organization and transferred to the division of soil
32 conservation and water quality of the department of agriculture
33 and land stewardship for purposes of supporting existing water
34 quality programs and projects or soil conservation programs
35 and projects. The bill authorizes the payment of refunds to

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1 producers who were eligible to receive refunds from their
2 commodity organization and for the payment of expenses incurred
3 by conducting a referendum to impose the state assessment.