

House Study Bill 132 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON SEXTON)

A BILL FOR

1 An Act relating to the powers and duties of the Iowa sheep and
2 wool promotion board, by changing its name to the Iowa sheep
3 promotion board, eliminating the assessment on wool, changing
4 the assessment rate on sheep, and providing for the collection
5 and expenditure of moneys imposed by the assessment.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 182.1, Code 2025, is amended to read as
2 follows:

3 **182.1 Definitions.**

4 As used in this chapter, unless the context otherwise
5 requires:

6 1. "Assessment" means an excise tax on the sale of sheep ~~or~~
7 ~~wool~~ as provided in this chapter.

8 2. "Board" means the Iowa sheep and ~~wool~~ promotion board
9 established pursuant to section 182.5.

10 3. a. "Concentration point" means a location or facility
11 where sheep are assembled for purposes of sale or resale for
12 feeding, breeding, or slaughtering, and where contact may occur
13 between groups of sheep from various sources.

14 b. "Concentration point" includes a public stockyard, auction
15 market, street market, state or federal market, untested
16 consignment sales location, buying station, or a livestock
17 dealer's yard, truck, or facility.

18 4. "Department" means the department of agriculture and land
19 stewardship.

20 ~~4.~~ 5. "District" means an official crop reporting district
21 formed by the United States department of agriculture and set out
22 in the annual farm census published by the ~~Iowa~~ department of
23 agriculture and land stewardship.

24 ~~5.~~ 6. "First purchaser" means a person who purchases sheep
25 ~~or wool~~ from a producer.

26 ~~6.~~ 7. "Producer" means a person who is actively engaged
27 within this state in the business of producing ~~or marketing and~~
28 selling sheep ~~or wool~~ and ~~who receives income from the production~~
29 ~~of sheep or wool.~~

30 ~~7.~~ 8. "Sale", "sell", or "sold" means a commercial
31 transaction in which the property ownership interest in ~~or to~~
32 sheep ~~or wool~~ is transferred from the producer to a first
33 purchaser in exchange for full or partial consideration.

34 ~~8.~~ 9. "Secretary" means the secretary of agriculture.

35 ~~9.~~ 10. "Sheep" means an animal of the ovine species,

1 regardless of age, produced or marketed in this state.

2 ~~10.~~ 11. "Sheep product" means an item derived from a live
3 or slaughtered sheep, including but not limited to bones, milk,
4 manure, mutton or lamb, sheepskin, or wool.

5 12. "Wool" means the natural fiber produced by sheep.

6 Sec. 2. Section 182.3, Code 2025, is amended to read as
7 follows:

8 **182.3 Notice of referendum.**

9 1. The secretary shall give notice of the referendum on the
10 question of whether to establish an Iowa sheep ~~and wool~~ promotion
11 board and to impose the assessment by publishing the notice for
12 a period of not less than five days in at least one newspaper
13 of general circulation in the state. The notice shall state the
14 voting places, period of time for voting, and other information
15 deemed necessary by the secretary.

16 2. A referendum shall not be commenced until five days after
17 the last date of the notice's publication.

18 Sec. 3. Section 182.4, Code 2025, is amended to read as
19 follows:

20 **182.4 Establishment of sheep ~~and wool~~ promotion board —**
21 **assessment — termination.**

22 1. Each producer who signs a statement certifying that the
23 producer is a bona fide producer is entitled to one vote. At the
24 close of the referendum, the secretary shall count and tabulate
25 the ballots cast. If a majority of voters favor establishing an
26 Iowa sheep ~~and wool~~ promotion board and imposing an assessment,
27 an Iowa sheep ~~and wool~~ promotion board shall be established.
28 The assessment shall be imposed commencing not more than sixty
29 days following the referendum as determined by the Iowa sheep ~~and~~
30 ~~wool~~ promotion board, and shall continue until terminated by a
31 referendum as provided in subsection 2. If a majority of the
32 voters do not favor establishing an Iowa sheep ~~and wool~~ promotion
33 board and imposing the assessment, the assessment shall not be
34 imposed and the board shall not be established until another
35 referendum is held under this chapter and a majority of the

1 voters favor establishing a board and imposing the assessment.
2 If a referendum fails, another referendum shall not be held
3 within one hundred eighty days.

4 2. Upon receipt of a petition signed by at least twenty-five
5 producers in each district requesting a referendum election to
6 determine whether to terminate the ~~establishment of the Iowa~~
7 ~~sheep and wool~~ promotion board and to terminate the ~~imposition~~
8 ~~of the~~ assessment, the secretary shall call a referendum to
9 be conducted within sixty days following the receipt of the
10 petition. The petitioners shall guarantee the payment of the
11 costs of a referendum held under this subsection. If the
12 majority of the voters of a referendum do not favor termination,
13 an additional referendum ~~may~~ shall be held when the secretary
14 receives a petition signed by at least twenty-five producers in
15 each district. However, the additional referendum shall not be
16 held within one hundred eighty days.

17 Sec. 4. Section 182.5, Code 2025, is amended to read as
18 follows:

19 **182.5 Composition of board.**

20 The Iowa sheep and wool promotion board established pursuant
21 to section 182.4 shall be composed of nine producers. The dean
22 of the college of agriculture and life sciences of Iowa state
23 university of science and technology or the dean's representative
24 and the secretary or the secretary's designee shall serve as
25 ex officio, nonvoting members of the board. The board shall
26 annually elect a chairperson from its membership.

27 Sec. 5. Section 182.10, Code 2025, is amended to read as
28 follows:

29 **182.10 Vacancies.**

30 The Iowa sheep promotion board shall by appointment fill an
31 unexpired term if a vacancy occurs on the board. The board
32 shall select a producer as an appointee based on the criteria
33 established by the board.

34 Sec. 6. Section 182.11, Code 2025, is amended to read as
35 follows:

1 **182.11 Purposes of board.**

2 The purposes of the Iowa sheep promotion board ~~shall be to~~
3 include all of the following:

4 1. ~~Enter~~ To enter into contracts or agreements with or
5 make grants to recognized and qualified ~~agencies, individuals,~~
6 ~~or organizations~~ persons for the development and ~~carrying out~~
7 administration of research and education programs directed toward
8 better and more efficient production, marketing, and utilization
9 of sheep and ~~wool and their~~ sheep products.

10 2. ~~Provide~~ To provide methods and means, including, but not
11 limited to, public relations and other promotion techniques for
12 the maintenance of present markets for sheep and sheep products.

13 3. ~~Assist~~ To assist in the development of new or larger
14 markets, both domestic and foreign, for sheep and ~~wool and their~~
15 sheep products.

16 Sec. 7. Section 182.12, Code 2025, is amended to read as
17 follows:

18 **182.12 Powers and ~~duties~~ of board.**

19 The Iowa sheep promotion board may do any of the following:

20 1. Administer and enforce this chapter and perform acts
21 reasonably necessary to effectuate the purposes of this ~~section~~
22 chapter.

23 2. Employ and discharge assistants and professional counsel
24 as necessary, prescribe their duties and powers, and fix their
25 compensation.

26 3. Establish offices, incur expenses, and enter into any
27 contracts or agreements necessary to carry out the purposes of
28 this chapter.

29 4. Adopt, rescind, and amend all proper and necessary rules
30 for the exercise of its powers and duties.

31 5. Enter into arrangements for the collection of the per-head
32 assessment on sheep and wool.

33 6. Formulate and execute ~~assessment~~ procedures and methods ~~of~~
34 for the imposition and collection of the per-head assessment on
35 sheep.

1 7. Receive and investigate complaints and violations of this
2 chapter and take necessary related action.

3 8. Confer and cooperate with the department, legally
4 constituted authorities of other states, and the United States.

5 9. Establish one or more accounts in adequately protected
6 financial institutions to receive, hold, and disburse board
7 moneys.

8 Sec. 8. Section 182.13A, Code 2025, is amended to read as
9 follows:

10 **182.13A Not a state agency.**

11 The Iowa sheep and ~~wool~~ promotion board is not an agency of
12 state government.

13 Sec. 9. Section 182.13B, subsection 1, Code 2025, is amended
14 to read as follows:

15 1. If a majority of voters at a referendum conducted pursuant
16 to section 182.4 approve the establishment of an Iowa sheep and
17 ~~wool~~ promotion board and the imposition of an assessment, the
18 assessment shall be imposed on ~~wool and sheep at the following~~
19 ~~rates:~~ twenty cents per head sold by a producer to a first
20 purchaser.

21 ~~a. For wool, two cents imposed on each pound of wool sold by~~
22 ~~a producer.~~

23 ~~b. For sheep, ten cents imposed on each head of sheep sold by~~
24 ~~a producer.~~

25 Sec. 10. Section 182.14, Code 2025, is amended to read as
26 follows:

27 **182.14 Assessment.**

28 1. An assessment provided in this chapter shall be imposed on
29 ~~the~~ a producer as follows:

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

32 (1) If ~~the~~ sale occurs at a concentration point, the
33 assessment shall be imposed at the time of delivery. The first
34 purchaser shall deduct the assessment from the price paid to
35 the producer at the time of sale. The board may establish a

1 system that requires the first purchaser to deduct the assessment
2 and remit the deducted amount to the board by electronic funds
3 transfer.

4 (2) If the sale does not occur at a concentration point, the
5 producer shall deduct the assessment from the amount received
6 from the sale and shall forward the deducted amount ~~deducted~~ to
7 the board within thirty days following each calendar quarter.
8 However, the board may establish a system that requires the first
9 purchaser to deduct the assessment and remit the deducted amount
10 to the board by electronic funds transfer.

11 b. If the producer sells, ships, or otherwise disposes of
12 ~~wool or~~ sheep to any person outside this state, the producer
13 shall deduct the assessment from the amount received from the
14 sale and shall forward the amount deducted to the board. The
15 board may establish a system that requires the first purchaser to
16 deduct the assessment and remit the deducted amount to the board
17 by electronic funds transfer.

18 2. The assessment imposed by this ~~section~~ chapter shall be
19 remitted to the board not later than thirty days following each
20 calendar quarter during which the assessment amount was deducted.

21 Sec. 11. Section 182.15, Code 2025, is amended to read as
22 follows:

23 **182.15 Invoice required.**

24 1. At the time of sale, the first purchaser shall sign
25 and deliver to the producer a separate invoices invoice for
26 each purchase. ~~The invoices~~ An invoice shall show all of the
27 following:

28 a. The name and address of the producer and the seller, if
29 different from the producer.

30 b. The name and address of the first purchaser.

31 c. ~~The pounds of wool or head of~~ number of sheep sold.

32 d. The date of the purchase.

33 e. The rate of withholding the assessment and the total
34 amount of the assessment ~~withheld~~ collected.

35 2. ~~Invoices~~ An invoice shall be legibly written and shall not

1 be altered.

2 Sec. 12. Section 182.18, Code 2025, is amended to read as
3 follows:

4 **182.18 Use of moneys.**

5 1. Moneys ~~collected~~ controlled by the Iowa sheep promotion
6 board under this chapter are subject to audit performed by the
7 auditor of state and.

8 2. The moneys shall be used expended by the ~~Iowa sheep and~~
9 ~~wool promotion~~ board first for the payment of collection and
10 refund expenses, second for payment of the costs and expenses
11 arising in connection with conducting referendums, third for the
12 purposes identified in section 182.11, and fourth for the cost of
13 conducting audits ~~for~~ by the auditor of state.

14 3. ~~Moneys of the board remaining~~ If moneys remain after a
15 referendum is held at which a majority of the voters favor
16 ~~termination of~~ terminating the board and the assessment under
17 section 182.4, the board shall continue to ~~be expended~~ exist
18 and expend the moneys in accordance with this chapter until
19 the moneys are exhausted. ~~The auditor of state may seek~~
20 ~~reimbursement for the cost of the audit.~~

21 2. 4. The board shall not engage in any political activity,
22 and it shall be a condition of any allocation of ~~funds~~ moneys
23 under this chapter that any ~~organization~~ person receiving ~~funds~~
24 moneys shall not expend the ~~funds~~ moneys on political activity or
25 on any attempt to influence legislation.

26 Sec. 13. TRANSITION — MEMBERSHIP. Notwithstanding this Act,
27 the members of the Iowa sheep and wool promotion board
28 established pursuant to section 182.5, Code 2025, who were
29 serving on the board immediately prior to the effective date of
30 this Act shall continue to serve on the Iowa sheep promotion
31 board pursuant to section 182.5, as amended by this Act, until
32 their terms expire as provided in section 182.3, as amended
33 by this Act. The Iowa sheep promotion board shall appoint a
34 producer qualified under this Act to fill an unexpired term if a
35 vacancy occurs as provided in section 182.10, as amended by this

1 Act.

2 Sec. 14. TRANSITION — ASSESSMENT.

3 1. The assessment rate of twenty cents per head of sheep
4 established pursuant to section 182.13B, as amended by this Act,
5 shall be established and collected under chapter 182 without a
6 referendum.

7 2. The assessment rate established pursuant to section
8 182.13B, as amended by this Act, shall take effect September 1,
9 2025, unless an earlier date is adopted by resolution of the Iowa
10 sheep promotion board. Until then, the assessment rate imposed
11 on sheep in effect immediately prior to the effective date of
12 this Act shall continue to be in effect.

13 3. This Act does not restrict a referendum to terminate the
14 Iowa sheep promotion board or the assessment as provided in
15 section 182.4.

16 Sec. 15. TRANSITION — OPERATIONS. The Iowa sheep promotion
17 board is the successor organization of the Iowa sheep and wool
18 promotion board established in chapter 182.

19 1. The Iowa sheep promotion board shall change its name from
20 the Iowa sheep and wool promotion board to comply with this Act
21 in all official documents in effect and under the control of the
22 Iowa sheep promotion board. The Iowa sheep promotion board shall
23 make all name changes within a practical period determined by the
24 Iowa sheep promotion board but not later than December 30, 2025.

25 2. The name of the Iowa sheep promotion board shall not
26 affect any of the following:

27 a. A rule, regulation, form, order, or directive promulgated
28 by the Iowa sheep and wool promotion board in effect immediately
29 prior to the effective date of this Act.

30 b. A legal or financial obligation incurred by the Iowa sheep
31 and wool promotion board, or any legal or financial obligation
32 owed to the Iowa sheep and wool promotion board, in effect
33 immediately prior to the effective date of this Act until it
34 terminates or is renewed under its own terms.

35 c. Any account, or moneys in any account, controlled by the

1 Iowa sheep and wool promotion board immediately prior to the
2 effective date of this Act. The moneys under the control of
3 the Iowa sheep promotion board shall be expended as provided in
4 sections 182.12 and 182.16.

5 d. Any administrative hearing, cause of action, or statute of
6 limitation relating to the Iowa sheep and wool promotion board in
7 effect immediately prior to the effective date of this Act.

8 3. Any replacement of signs, logos, stationery, insignia,
9 uniforms, and related items due to the effect of the change in
10 name shall be done as part of the normal replacement cycle for
11 such items.

12 EXPLANATION

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

15 BACKGROUND. 1985 Iowa Acts, chapter 207 (codified in Code
16 chapter 182), authorized producers of sheep and wool to conduct
17 a referendum for purposes of establishing an Iowa sheep and wool
18 promotion board and collecting an assessment (informally referred
19 to as a checkoff) on the per-head sale of sheep and the per-pound
20 sale of wool (Code section 182.4). The assessment represents
21 a self-tax deducted from the sales price of sheep and wool
22 with a right of refund (Code section 182.17). The moneys are
23 collected by the producer's first purchaser, if the sale is at a
24 concentration point (e.g., a stockyard or market). Otherwise,
25 the moneys are collected by the producer. In any case, the
26 collected moneys are deposited into an account in a financial
27 institution under the board's control. The board is required to
28 use the collected moneys to support efforts to promote markets
29 for sheep and wool products and further related research and
30 education efforts (Code section 182.11). The assessment rate is
31 2 cents for each pound of wool and 10 cents per head of sheep
32 subject to an increased per-head rate of 25 cents or higher by
33 board action if approved by referendum (Code section 182.13B).

34 BILL'S PROVISIONS — ELIMINATION OF WOOL. The bill changes the
35 board's name to the Iowa sheep promotion board. A producer is

1 limited to a person in the business of producing and selling
2 sheep. The per-pound wool assessment is eliminated and the
3 base per-head assessment is established at 20 cents subject to
4 current procedures that allow for an increase by referendum (Code
5 section 182.13B). The renamed board may establish a system that
6 provides for electronic funds transfer by a first purchaser, at a
7 concentration point, outside the concentration point, or outside
8 the state. Moneys from the assessment must be used to support
9 increasing markets, education, and research involving sheep and
10 sheep products which includes an item derived from a live or
11 slaughtered sheep, including but not limited to bones, milk,
12 manure, mutton or lamb, sheepskin, or wool.

13 BILL'S PROVISIONS — TRANSITION PROVISIONS. The bill does not
14 affect the terms of members of the former Iowa sheep and wool
15 promotion board who will continue to serve as members of the Iowa
16 sheep promotion board until the expiration of the member's term.
17 The per-head assessment rate of 20 cents is implemented without
18 a referendum. The assessment rate takes effect on September
19 1, 2025, unless the board elects an earlier effective date by
20 resolution. Until then, the assessment rate is the same as prior
21 to the effective date of the bill. The bill does not limit
22 the power of producers to terminate the board and assessment by
23 referendum (Code section 182.4).