

1 SEC. 2. Section one hundred seventy-three point eight (173.8),
2 Code 1971, is amended as follows:

3 173.8 **Elective members — compensation.** The members of the
4 board elected at the annual convention shall be allowed [twenty]
5 *thirty* dollars a day and necessary traveling and hotel expenses for
6 attending the meetings of the board and for services rendered in
7 carrying on the state fair.

1 SEC. 3. Persons who are members of the state fair board on the
2 effective date of this Act shall complete the term of office for which
3 they were elected.

Approved May 17, 1971.

Italics indicate new material added to existing statutes; brackets indicate deletions from existing statutes.
However, see Editor's note, page iii.

CHAPTER 143

SOYBEAN PROMOTION BOARD

S. F. 296

AN ACT relating to the establishment of a soybean promotion fund to receive assessments made on the sale of soybeans; to establish an Iowa soybean promotion board; to provide for a referendum among soybean producers and to provide penalties.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. As used in this Act:

2 1. "Secretary" means the secretary of agriculture.

3 2. "Board" means the Iowa soybean promotion board established
4 by this Act.

5 3. "Promotional order" means an order administered pursuant to
6 this Act which establishes a program for the promotion, research
7 and market development of soybeans and provides for an assessment
8 to finance the program.

9 4. "Market development" means to engage in research and edu-
10 cational programs directed toward better and more efficient utiliza-
11 tion of soybeans; to provide methods and means, including but not
12 limited to, public relations and other promotion techniques for the
13 maintenance of present markets; to provide for the development of
14 new or larger domestic and foreign markets; and to provide for the
15 prevention, modification, or elimination of trade barriers which ob-
16 struct the free flow of soybeans.

17 5. "Producer" means any individual, firm, corporation, partner-
18 ship, or association engaged in this state in the business of producing
19 and marketing in their name at least two hundred fifty bushels of
20 soybeans in the previous marketing year.

21 6. "First purchaser" means any person, corporation, association,
22 cooperative, partnership, commercial buyer, dealer, or processor who
23 resells soybeans purchased from a producer or offers for sale any
24 product produced from such soybeans for any purpose.

25 7. "Marketing year" means the twelve-month period beginning the
26 first day of September and ending on the following thirty-first day
27 of August.

28 8. "District" means an official crop reporting district formed by

29 the United States department of agriculture and set out in the annual
30 farm census published by the Iowa department of agriculture.

31 9. "Soybeans" means and includes all kinds of varieties of soy-
32 beans grown in this state and marketed or sold as soybeans by the
33 producer.

34 10. "Bushel" means sixty pounds of soybeans by weight.

35 11. "Assessment" means an excise tax on each bushel of soybeans
36 raised and sold in this state as provided in this Act.

1 SEC. 2. Upon receipt of a petition signed by at least five hundred
2 producers requesting an initial referendum election to determine
3 whether a promotional order shall be placed in effect, the secretary
4 shall call an initial referendum election to be conducted within sixty
5 days following receipt of the petition. Producers shall vote by writ-
6 ten ballot in the manner provided by this Act for referendum elec-
7 tions.

1 SEC. 3. If a majority of the producers voting in the referendum
2 election approve the passage of the promotional order, an Iowa soy-
3 bean promotion board shall be established. The board shall consist
4 of one director elected from each district in the state, except that a
5 district producing more than an average of twenty-five million bushels
6 of soybeans in the three previous marketing years is entitled to two
7 directors.

1 SEC. 4. For the initial board, the secretary shall notify the
2 Iowa soybean association, mentioned in section one hundred fifty-nine
3 point twenty-five (159.25) of the Code, immediately after approval
4 of a promotional order at the referendum election and the association
5 shall nominate two candidates for each position as director. Candi-
6 dates shall be resident producers of the district from which they are
7 nominated. The secretary shall receive the nominations, and shall
8 call an election for members of the initial board within thirty days
9 following passage of the promotional order.

1 SEC. 5. Notice of the initial election for directors of the board
2 shall be given by the secretary by publication in a newspaper of
3 general circulation in the state at least five days prior to the date of
4 the election and in any other reasonable manner as may be deter-
5 mined by the secretary. The notice shall set forth the period of time
6 for voting, voting places, and such other information as the secretary
7 may deem necessary.

8 Notice of subsequent elections for directors of the board in a dis-
9 trict shall be given by the board by publication in a newspaper of
10 general circulation in the district and in any other reasonable man-
11 ner as may be determined by the board and shall set forth the period
12 of time for voting, voting places, and such other information as the
13 board may deem necessary.

1 SEC. 6. In districts electing one director, the candidate receiving
2 the highest number of votes shall be elected. In districts electing
3 two directors, producers shall vote for two directors, and the two
4 candidates receiving the highest number of votes shall be elected.

1 SEC. 7. Director terms shall be for three years and no director
2 of the board shall serve for more than three complete consecutive
3 terms.

4 The terms of office for the initial board shall be determined by lot.
 5 As nearly as possible one-third of the directors shall serve for one
 6 year, one-third of the directors shall serve for two years, and one-
 7 third of the directors shall serve for three years. The initial board
 8 shall not contain two directors from the same district serving the
 9 same term.

1 SEC. 8. After election of the initial board, the board shall admin-
 2 ister subsequent elections for directors of the board with the assist-
 3 ance of the secretary. Prior to the expiration of a director's term
 4 of office, the board shall appoint a nominating committee for the dis-
 5 trict represented by such director. The nominating committee shall
 6 consist of five producers who are residents of the district from which
 7 a director must be elected. The nominating committee shall nominate
 8 two resident producers as candidates for each director position for
 9 which an election is to be held. Additional candidates may be nomi-
 10 nated by a written petition of one hundred producers. Procedures
 11 governing the time and place of filing shall be promulgated and pub-
 12 licized by the board.

1 SEC. 9. The board shall by appointment fill an unexpired term if
 2 a vacancy occurs in the board.

1 SEC. 10. The secretary, the dean of the college of agriculture of
 2 Iowa state university of science and technology, and the director of
 3 the Iowa development commission, or their designees, and two repre-
 4 sentatives of first purchaser organizations shall serve on the board
 5 as ex officio members. One each of the two first purchaser represent-
 6 atives shall be appointed by, and serve at the pleasure of, the Iowa
 7 grain and feed association and the farmers grain dealers association
 8 of Iowa.

1 SEC. 11. The purposes of the board shall be to:

2 1. Enter into contracts or agreements with recognized and qual-
 3 ified agencies or organizations for the development and carrying out
 4 of research and education programs directed toward better and more
 5 efficient production, marketing, and utilization of soybeans and soy-
 6 bean products.

7 2. Provide methods and means, including, but not limited to, public
 8 relations and other promotion techniques for the maintenance of
 9 present markets.

10 3. Assist in development of new or larger markets, both domestic
 11 and foreign, for soybeans and soybean products.

12 4. Work for prevention, modification, or elimination of trade bar-
 13 riers which obstruct the free flow of soybeans and soybean products
 14 to market.

1 SEC. 12. The board shall:

2 1. Elect a chairman and other officers as advisable.

3 2. Administer this Act, and perform all acts reasonably necessary
 4 to effectuate the purposes of this Act.

1 SEC. 13. The board may:

2 1. Employ and discharge assistants and professional counsel as
 3 necessary, prescribe their duties and powers, and fix their compensa-
 4 tion.

5 2. Establish offices, incur expenses, and enter into any contracts
6 or agreements necessary to carry out the purposes of this Act.

7 3. Adopt, rescind, and amend all proper and necessary rules and
8 regulations for the exercise of its powers and duties.

9 4. Enter into arrangements for collection of the assessment on
10 Iowa grown soybeans from persons purchasing soybeans outside of
11 Iowa.

1 SEC. 14. Each member of the board shall receive thirty dollars
2 per day and actual expenses in performing official board functions
3 not to exceed forty days per year. No member of the board shall be
4 a salaried employee of the board or any organization or agency which
5 is receiving funds from the board. The board shall meet at least
6 once every three months, and at such other times as deemed neces-
7 sary by the board.

1 SEC. 15. The initial board shall meet and organize following the
2 members' election, and the promotional order, including the assess-
3 ment, shall become effective sixty days following the date of the elec-
4 tion of the board. A promotional order shall be effective for four
5 years from its effective date.

1 SEC. 16. Notice of a referendum election to initiate or extend a
2 promotional order shall be given by publication in a newspaper of
3 general circulation in this state at least ten days prior to the date
4 of the referendum and in any other reasonable manner as may be
5 determined by the secretary for the initial referendum and by the
6 board for extension of the promotional order.

1 SEC. 17. The notice of referendum shall set forth the period of
2 time for voting, voting places and such other information as the sec-
3 retary may deem necessary in an initial referendum. The board shall
4 make such determinations in any subsequent referendum.

1 SEC. 18. At the close of a referendum voting period, the secretary
2 shall count and tabulate the ballots cast during the referendum period.

1 SEC. 19. The ballots shall constitute conclusive evidence as to the
2 validity of the promotional order.

1 SEC. 20. Only producers are eligible to vote in an election for
2 directors or a referendum election and only in the district in which
3 they reside. A producer shall sign an affidavit furnished by the sec-
4 retary at the time of voting certifying his eligibility to vote. Each
5 qualified producer shall be entitled to one vote.

1 SEC. 21. The board shall set the assessment rate. Assessments
2 pursuant to the promotional order shall be paid into the soybean
3 promotion fund established in section twenty-six (26) of this Act.
4 An assessment shall not exceed one-half cent per bushel upon soy-
5 beans produced in this state and sold to a first purchaser. The rate
6 of assessment shall be determined by the board but shall not be
7 changed, once established, during a marketing year.

1 SEC. 22. After a promotional order has been issued, the first pur-
2 chaser at the time of payment for soybeans shall show the total

3 amount of assessment deducted from the sale on the purchase invoice.

1 SEC. 23. The assessment shall be deducted from the purchase
2 price of soybeans at the time of sale, and forwarded to the secretary
3 by the first purchaser in the manner and at intervals determined by
4 the board.

1 SEC. 24. If a promotional order has been canceled by a referen-
2 dum, and all funds expended, the board shall cease to function. Any
3 funds remaining one year following the termination of a promotional
4 order shall be disbursed by the board to the Iowa soybean association,
5 American soybean association, or the American soybean institute for
6 market development activities. However if a future referendum
7 passes, the board shall be reorganized by the secretary and members
8 shall serve out their terms as though there had been no lapse of time
9 between effective orders.

1 SEC. 25. An assessment adopted upon the initiation of a promo-
2 tional order shall be of no force or effect upon termination of the
3 promotional order. At least sixty days but not more than one hun-
4 dred eighty days prior to the termination date of a promotional or-
5 der, the secretary shall cause notice to be published in accordance
6 with section sixteen (16) of this Act, and a referendum on the ques-
7 tion of whether a promotional order shall be extended for an addi-
8 tional four-year period shall be conducted. If the secretary finds
9 that a majority of the total number of producers voting favor the
10 promotional order, then the order shall continue to be in effect for an
11 additional four-year period. If a referendum should fail, another
12 referendum shall not be held within one hundred eighty days. A
13 succeeding referendum shall be called by the secretary upon petition
14 of at least one hundred producers requesting a referendum.

1 SEC. 26. Assessments collected by the secretary from a sale of
2 soybeans shall be deposited in the office of the treasurer of state to-
3 gether with any gifts, or any federal or state grant as may be re-
4 ceived by the board, and placed in a special fund to be known as the
5 soybean promotion fund. Moneys collected shall be subject to audit
6 by the auditor of state. From moneys collected, the board shall first
7 pay the costs of referendums, elections and other expenses incurred in
8 the administration of this Act, and thereafter moneys may be ex-
9 pended for the purpose of market development. The fund shall be
10 subject at all times to warrants by the state comptroller, drawn upon
11 the written requisition of the chairman of the board and attested to
12 by the secretary of the board.

1 SEC. 27. A producer who has sold soybeans and had an assessment
2 deducted from the sale price may, by application in writing to the
3 secretary, secure a refund in the amount deducted. The refund shall
4 be payable only when the application shall have been made to the
5 secretary within sixty days after the deduction. Application forms
6 shall be given by the board to each first purchaser when requested
7 and the first purchaser shall make the applications available to any
8 producer. Each application for refund by a producer shall have at-
9 tached thereto proof of assessment deducted. The proof of assess-
10 ment may be in the form of a duplicate or certified copy of the pur-

11 chase invoice by the first purchaser. The secretary shall have thirty
12 days from the date the application for refund is received to remit
13 the refund to the producer.

1 SEC. 28. All moneys deposited in the soybean promotion fund are
2 appropriated for the administration of this Act and for the payment
3 of claims based upon obligations incurred in the performance of
4 activities and functions set forth in this Act.

1 SEC. 29. After the costs of elections, referendum, necessary board
2 expenses and administrative costs have been paid, at least seventy-
3 five percent of the remaining funds in the soybean promotion fund
4 shall be remitted to such organizations as the Iowa soybean associa-
5 tion, American soybean association and the American soybean insti-
6 tute for market development activities to include developing and ex-
7 panding new markets for soybeans and soybean products worldwide.
8 The funds can only be used for research, promotion, and education in
9 co-operation with agencies who are equipped to do this kind of work.

1 SEC. 30. Every person occupying a position of trust under any
2 provisions of this Act shall give bond in such amount as may be
3 required by the board, the premium for which shall be paid out of the
4 soybean promotion fund.

1 SEC. 31. It is a misdemeanor for any person to willfully violate
2 any provision of this Act or for any person to willfully render or
3 furnish a false or fraudulent report, statement, or record required
4 by the secretary.

1 SEC. 32. Every first purchaser shall upon request furnish the
2 secretary with such information as is necessary to enable the secre-
3 tary to carry out the provisions of this Act. Such information shall
4 be provided as prescribed by the secretary. The secretary may exam-
5 ine any records relating to the purchase, sale, storage, processing,
6 handling, or assessment of soybeans by any first purchaser. The sec-
7 retary may hold hearings, take testimony, administer oaths, subpoena
8 witnesses, and issue subpoenas as may be necessary to carry out the
9 provisions of this Act.

1 SEC. 33. The secretary shall make an annual report on or before
2 November first of each year, showing all income and expenses and
3 other relevant information concerning assessments collected and exp-
4 ended under the provisions of this Act.

1 SEC. 34. The Iowa soybean promotion board shall not be a state
2 agency.

Approved June 7, 1971.