

## CHAPTER 1043

### BEEF CATTLE MARKETING AND PROMOTION

H.F. 2269

AN ACT providing for certain excise taxes imposed on the sale of cattle and including effective date provisions.

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

Section 1. Section 181.1, subsection 3, Code 2016, is amended by striking the subsection and inserting in lieu thereof the following:

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

Sec. 2. Section 181.1, subsection 6, paragraph b, Code 2016, is amended to read as follows:

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

Sec. 3. Section 181.2, Code 2016, is amended to read as follows:

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

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

1. Aid in the marketing and promotion of the cattle industry of the state.
2. ~~Provide for practical and scientific instruction in the breeding and raising of cattle~~ Conduct research on beef production and evaluate Iowa beef production needs.
3. ~~Make demonstrations in the feeding of cattle and publish suggestions beneficial to such business~~ Provide educational materials and opportunities to consumers, producers, and youth regarding the benefits of Iowa’s beef cattle industry.
4. ~~Aid and promote cattle feeding contests, shows, and sales.~~
5. 4. Prepare an annual report of the proceedings and expenditures of the council executive committee as provided in [section 181.18B](#).

Sec. 4. Section 181.3, Code 2016, is amended to read as follows:

#### **181.3 Iowa beef industry council Executive committee — creation and operation.**

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

- a. Five producers elected by the Iowa beef cattle producers association pursuant to [section 181.6A](#).
- b. Two producers appointed by the Iowa cattlemen’s association.
- c. One livestock market representative appointed pursuant to [subsection 2](#).
- e. ~~d.~~ The secretary of agriculture or a designee, who shall serve as a voting an ex officio, voting member.
- ~~e.~~ The dean of the college of agriculture and life sciences of Iowa state university of science and technology or a designee, who shall serve as a voting an ex officio, voting member.

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

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

4. a. A member who is a producer or livestock market representative described in [subsection 1](#), paragraphs “a” through “c”, shall serve a three-year term. The member shall not serve more than two consecutive full terms.

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

Sec. 5. Section 181.4, Code 2016, is amended to read as follows:

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

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

Sec. 6. Section 181.6A, Code 2016, is amended to read as follows:

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

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

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

3. Producers attending the annual meeting of the association may vote for one nominee for each position on the ~~council executive committee~~ for which an election is held. Producers not attending the annual meeting of the association may vote by absentee ballot if the ballot is requested and mailed, with proper postage, to the ~~council executive committee~~ prior to the annual meeting of the association. For each position for which an election is held, the candidate receiving the highest number of votes shall be elected.

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

Sec. 7. Section 181.7, Code 2016, is amended to read as follows:

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

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

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

2. Making donations to nonprofit organizations furthering the purposes of ~~this section~~.

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

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

Sec. 8. Section 181.7A, Code 2016, is amended to read as follows:

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

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

2. The council executive committee shall suspend the state assessment upon collection of the federal assessment. The state assessment shall recommence upon the earlier of the following:

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

b. The passage of a special referendum pursuant to [section 181.19](#) regardless of whether a federal assessment is being collected.

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

Sec. 9. Section 181.8, Code 2016, is amended to read as follows:

**181.8 Entering Executive committee — entering premises — examining records.**

The council executive committee may authorize its agents to enter at a reasonable time upon the premises of any purchaser charged by [this chapter](#) with remitting the state assessment to the council executive committee, and to examine records and other instruments relating to the collection of the state assessment. However, the council executive committee must first have reasonable grounds to believe that the state assessment has not been remitted or fully accounted for.

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

Sec. 10. Section 181.11, Code 2016, is amended to read as follows:

**181.11 Collection of state assessment.**

1. A state assessment imposed as provided in [this chapter](#) shall be levied and collected from the purchaser on each sale of cattle at a rate provided in [this chapter](#). The state assessment shall be imposed on any person selling cattle and shall be deducted by the purchaser from the price paid to the seller. The purchaser, at the time of the sale, shall make and deliver to the seller a separate invoice for each sale showing the names and addresses of the seller and the purchaser, the number of cattle sold, and the date of sale. The purchaser shall forward the state assessment to the council executive committee at a time prescribed by the council executive committee, but not later than the last day of the month following the end of the prior reporting period in which the cattle are sold.

2. The executive committee may enter into arrangements with persons purchasing cattle outside of this state for remitting the state assessment by such purchasers.

Sec. 11. Section 181.12, Code 2016, is amended to read as follows:

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

A person from whom a state assessment is collected may, by written application filed with the council executive committee within sixty ninety days after its collection, have the amount remitted to the person by the council executive committee. The information that the state assessment is refundable and the address of the council executive committee to which application for a refund may be made shall appear on the invoice of sale form supplied by the purchaser to the producer near the area on the form which shows the amount of the state assessment paid. The council executive committee shall furnish uniform application for refund forms and envelopes properly addressed to the council to each purchaser charged by [this chapter](#) with remitting the state assessment in sufficient number to make the refund forms and envelopes readily available to all producers. A purchaser charged by [this chapter](#) with remitting the state assessment shall ~~display the application for refund forms and envelopes in a prominent position in its place of business and make them~~ the forms readily available to all producers.

Sec. 12. Section 181.13, Code 2016, is amended to read as follows:

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

1. All state assessments imposed under [this chapter](#) shall be paid to and collected by the council executive committee and deposited with the treasurer of state in a separate cattle promotion fund which shall be created by the treasurer of state. The department of administrative services shall transfer moneys from the fund to the council executive committee for deposit into an account established by the council executive committee in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the council executive committee. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. From the moneys collected, deposited, and transferred to the council executive committee, in accordance with the provisions of [this chapter](#), the council executive committee shall first pay the costs of referendums held pursuant to [this chapter](#), the costs of collection of such state assessments, and the expenses of its agents. At least ten percent of the remaining moneys shall be remitted to the association in proportions determined by the council executive committee, for use in a manner not inconsistent with [section 181.7](#). The remaining moneys, with approval of a majority of the council executive committee, shall be expended as the council executive committee finds necessary to carry out the provisions and purposes of [this chapter](#). However, in no event shall the total expenses exceed the total amount transferred from the fund for use by the council executive committee.

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

3. If the state assessment is suspended as provided in [section 181.7A](#) or a continuance referendum fails to pass as provided in [section 181.19A](#), moneys remaining in the cattle promotion fund and transferred to the council executive committee shall continue to be transferred and expended in accordance with the provisions of [this chapter](#) until exhausted.

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

**181.17 Producers not members.**

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

Sec. 14. Section 181.18, Code 2016, is amended to read as follows:

**181.18 Rules.**

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

Sec. 15. Section 181.18B, Code 2016, is amended to read as follows:

**181.18B Report.**

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

Sec. 16. Section 181.19, subsections 1 and 2, Code 2016, are amended to read as follows:

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

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

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

b. Determine whether a state assessment suspended pursuant to [section 181.7A](#) is to be in addition to a federal assessment. The state assessment shall be imposed at a rate of ~~fifty cents~~ not to exceed one dollar per head on all cattle sold for whatever purpose.

Sec. 17. Section 181.19A, subsection 3, Code 2016, is amended to read as follows:

3. If the secretary determines that the referendum has not passed, the secretary and the ~~council~~ executive committee shall terminate the assessment in an orderly manner as soon as practicable after the determination. Another referendum shall not be held for at least one hundred eighty days from the date that the assessment is terminated.

Sec. 18. REPEAL. 2004 Iowa Acts, chapter 1037, section 17, is repealed.

Sec. 19. TRANSITION — APPOINTMENT AND TERMS OF EXECUTIVE COMMITTEE MEMBERS.

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

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

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

1. It is amended, rescinded, or supplemented by the affirmative action of the executive council<sup>1</sup> of the Iowa beef cattle producers association created in [section 181.3](#), as amended in this Act.

2. It expires by its own terms.

Sec. 21. EFFECTIVE UPON ENACTMENT. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 31, 2016

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<sup>1</sup> See chapter 1138, §28 herein