

MAR 4 2005
Place On Calendar

HOUSE FILE 580
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 462)

Passed House, Date 3-15-05 Passed Senate, Date _____
Vote: Ayes 97 Nays 6 Vote: Ayes _____ Nays _____
Approved April 19, 2005

A BILL FOR

1 An Act relating to the administration of the Iowa egg council,
2 including by providing for the use, promotion, and research of
3 eggs and egg products, and providing for an assessment.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HOUSE FILE 580

H-1066

- 1 Amend House File 580 as follows:
- 2 1. Page 3, by striking lines 15 and 16.
- 3 2. By renumbering, redesignating, and correcting
- 4 internal references as necessary.

By SWAIM of Davis

H-1066 FILED MARCH 14, 2005

HF 580

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TLSB 2361HV 81
da/pj/5

1 Section 1. Section 184.1, subsection 4, Code 2005, is
2 amended to read as follows:

3 4. "Eggs" means eggs produced from a layer-type chicken.
4 "Eggs" includes shell eggs or eggs broken for further
5 processing, ~~but does.~~ However, "eggs" does not include
6 fertile any of the following:

7 a. Fertile eggs that are incubated, hatched, or used for
8 vaccines.

9 b. Organic eggs which are produced as part of a production
10 operation which is certified by the department pursuant to
11 chapter 190C.

12 Sec. 2. Section 184.3, Code 2005, is amended to read as
13 follows:

14 184.3 ASSESSMENT.

15 1. a. ~~The council shall establish~~ Except as provided in
16 paragraph "b", an assessment amount for of two and one-half
17 cents is imposed on each thirty dozen eggs produced in this
18 state. The assessment shall be imposed on a producer at the
19 time of delivery to a purchaser who shall deduct the
20 assessment from the price paid to a producer at the time of
21 sale. The assessment shall not be refundable. The assessment
22 is due to be paid to the council within thirty days following
23 each calendar quarter, as provided by the council.

24 b. Upon request of the council, the secretary shall call a
25 special referendum for producers to vote on whether to
26 authorize an increase in the assessment to an amount that is
27 more than two and one-half cents imposed on each thirty dozen
28 eggs produced in this state. Notice shall be given and the
29 special referendum shall be conducted in the manner provided
30 in section 184.5. If a majority of the producers voting
31 approves the increase, the council may increase the assessment
32 for the amount approved. However, the assessment shall not
33 exceed fifteen cents imposed on each thirty dozen eggs
34 produced in this state.

35 2. If the producer sells eggs to a purchaser outside the

1 state of Iowa, the producer shall deduct the ~~tax~~ assessment
2 from the amount received from the sale and shall forward the
3 amount deducted to the council within thirty days following
4 each calendar quarter. If the producer and processor are the
5 same person, then that person shall pay the assessment to the
6 council within thirty days following each calendar quarter.

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

18 Sec. 3. Section 184.9, Code 2005, is amended by striking
19 the section and inserting in lieu thereof the following:

20 184.9 DUTIES OF THE COUNCIL -- MARKETING.

21 The council shall develop new and expand existing markets
22 for eggs and egg products, and may provide for any of the
23 following:

- 24 1. Increasing the utilization of eggs or egg products.
- 25 2. Increasing the awareness of the health benefits
26 associated with the consumption of eggs or egg products.
- 27 3. Increasing the awareness of the economic benefits
28 associated with the production and processing of eggs or egg
29 products.

30 Sec. 4. NEW SECTION. 184.9A DUTIES OF THE COUNCIL --
31 RESEARCH.

32 The council shall participate in research programs or
33 projects, including by conducting or financing such programs
34 or projects, relating to any of the following:

- 35 1. Increasing the utilization of eggs or egg products.

1 2. Improving the production or processing of eggs or egg
2 products.

3 3. Preventing, modifying, or eliminating barriers to trade
4 which obstruct the free flow of eggs or egg products in
5 commerce.

6 Sec. 5. NEW SECTION. 184.9B DUTIES OF THE COUNCIL --
7 EDUCATION.

8 The council shall participate in education programs or
9 projects, including by conducting or financing such programs
10 or projects, as follows:

11 1. The council's education programs or projects may
12 provide for any of the following:

- 13 a. The utilization of eggs or egg products.
- 14 b. The production or processing of eggs or egg products.
- 15 c. The health benefits associated with the consumption of
16 eggs or egg products.
- 17 d. The safe consumption of eggs or egg products.
- 18 e. The prevention, modification, or elimination of
19 barriers to trade which obstruct the free flow of eggs or egg
20 products in commerce.
- 21 f. Increasing the awareness of the health benefits
22 associated with the consumption of eggs or egg products.
- 23 g. Increasing the awareness of the economic benefits
24 associated with the production and processing of eggs or egg
25 products.

26 2. The council's education programs or projects may be
27 designed to increase consumers' knowledge of the production or
28 processing of eggs, the preparation of eggs or egg products,
29 or the consumption of eggs or egg products.

30 3. As part of the council's education programs or projects
31 it may provide for the dissemination of information of public
32 interest, including but not limited to the development or
33 publication of materials in a printed or electronic format.

34 Sec. 6. Section 184.10, unnumbered paragraph 1, Code 2005,
35 is amended to read as follows:

1 The council may perform any function ~~related~~ that it deems
2 necessary to the-production-and-marketing-of-eggs-or-egg
3 products carry out its purposes and duties as provided in this
4 chapter, including but not limited to doing any of the
5 following:

6 Sec. 7. Section 184.10, subsection 6, Code 2005, is
7 amended to read as follows:

8 6. Become a dues-paying member of an organization carrying
9 out a purpose related to ~~the-increased~~ any of the following:

10 a. The production or processing of eggs or egg products.

11 b. The consumption and or utilization of eggs or egg
12 products.

13 Sec. 8. Section 184.10, subsection 7, Code 2005, is
14 amended by striking the subsection and inserting in lieu
15 thereof the following:

16 7. Administer elections for members of the council and
17 provide for the appointment of persons to fill vacancies
18 occurring on the council, as provided in section 184.8. The
19 department may assist the council in administering an
20 election, upon request to the secretary by the council.

21 Sec. 9. Section 184.14, unnumbered paragraph 2, Code 2005,
22 is amended to read as follows:

23 Moneys collected, deposited in the fund, and transferred to
24 the council as provided in this chapter are subject to audit
25 by the auditor of state. The moneys transferred to the
26 council shall be used by the council first for the payment of
27 collection expenses, second for payment of the costs and
28 expenses arising in connection with conducting referendums,
29 and third to perform the functions and carry out the duties of
30 the council as provided in ~~section-184-9~~ this chapter. Moneys
31 remaining after the council is abolished and the imposition of
32 an assessment is terminated pursuant to a referendum conducted
33 pursuant to section 184.5 shall continue to be expended in
34 accordance with this chapter until exhausted.

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EXPLANATION

1 This bill amends Code chapter 184, which establishes the
2 Iowa egg council, and provides for an assessment ("checkoff")
3 on the sale of eggs to support activities related to egg
4 production and processing, including marketing, as well as
5 education and research.

6 Code section 184.9 provides for the duties of the council
7 which focus upon market development (promoting the increased
8 utilization of eggs and egg products, health benefits
9 associated with the consumption of eggs or egg products,
10 economic benefits associated with the production and
11 processing of eggs or egg products, and the safe use and
12 consumption of eggs or egg products). The Code section also
13 provides that the council may administer elections and provide
14 for the appointment of persons to fill vacancies occurring on
15 the council. Code section 184.10 authorizes the council to
16 provide for research and education programs directed toward
17 better and more efficient production, marketing, and
18 utilization of eggs and egg products, including by financing
19 such programs and projects.

20 The council establishes an assessment amount for each 30
21 dozen eggs produced in this state. The assessment is imposed
22 on a producer at the time of delivery to a purchaser who shall
23 deduct the assessment from the price paid to a producer at the
24 time of sale. The assessment is not refundable. The
25 assessment is due to be paid to the council within 30 days
26 following each calendar quarter, as provided by the council.

27 The bill provides that for purposes of the Code chapter,
28 "eggs" do not include those eggs which are produced as part of
29 an organic production operation. The effect of the provision
30 is to exclude organic farms from being assessed a checkoff.

31 The bill establishes a rate of assessment of two and one-
32 half cents on each 30 dozen eggs produced in this state. Upon
33 the council's initiative, the secretary of agriculture may
34 conduct a special referendum of producers to increase the
35 rate. However, the rate cannot be more than 15 cents for each

1 30 dozen eggs.

2 The bill rewrites Code section 184.9 to specifically
3 provide for the council's marketing duties. It also
4 establishes two separate Code sections. One section requires
5 the council to participate in research programs or projects,
6 including by conducting or financing such programs or
7 projects. The other Code section requires the department to
8 participate in education programs or projects, including by
9 conducting or financing such programs or projects. In
10 providing for duties related to both education and research,
11 the bill lists activities that may be accomplished by the
12 council. The bill lists a number of educational activities
13 related to utilization, production or processing, and trade.
14 The bill eliminates the reference to promoting the safe
15 consumption of eggs. The bill provides that the educational
16 component may be designed to increase consumers' awareness.
17 It also authorizes the council to disseminate information,
18 including but not limited to the development or publication of
19 materials in a printed or electronic format.

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HOUSE FILE 580
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 462)

(As Amended and Passed by the House March 15, 2005)

Passed House, Date _____ Passed Senate, Date 4-11-05
Vote: Ayes _____ Nays _____ Vote: Ayes 49 Nays 0
Approved _____

A BILL FOR

1 An Act relating to the administration of the Iowa egg council,
2 including by providing for the use, promotion, and research of
3 eggs and egg products, and providing for an assessment.

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

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Deleted Language *

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TLSB 2361HV 81

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2 amended to read as follows:

3 4. "Eggs" means eggs produced from a layer-type chicken.
4 "Eggs" includes shell eggs or eggs broken for further
5 processing, ~~but does~~. However, "eggs" does not include
6 fertile any of the following:

7 a. Fertile eggs that are incubated, hatched, or used for
8 vaccines.

9 b. Organic eggs which are produced as part of a production
10 operation which is certified by the department pursuant to
11 chapter 190C.

12 Sec. 2. Section 184.3, Code 2005, is amended to read as
13 follows:

14 184.3 ASSESSMENT.

15 1. a. ~~The council shall establish~~ Except as provided in
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17 cents is imposed on each thirty dozen eggs produced in this
18 state. The assessment shall be imposed on a producer at the
19 time of delivery to a purchaser who shall deduct the
20 assessment from the price paid to a producer at the time of
21 sale. The assessment shall not be refundable. The assessment
22 is due to be paid to the council within thirty days following
23 each calendar quarter, as provided by the council.

24 b. Upon request of the council, the secretary shall call a
25 special referendum for producers to vote on whether to
26 authorize an increase in the assessment to an amount that is
27 more than two and one-half cents imposed on each thirty dozen
28 eggs produced in this state. Notice shall be given and the
29 special referendum shall be conducted in the manner provided
30 in section 184.5. If a majority of the producers voting
31 approves the increase, the council may increase the assessment
32 for the amount approved. However, the assessment shall not
33 exceed fifteen cents imposed on each thirty dozen eggs
34 produced in this state.

35 2. If the producer sells eggs to a purchaser outside the

1 state of Iowa, the producer shall deduct the tax assessment
2 from the amount received from the sale and shall forward the
3 amount deducted to the council within thirty days following
4 each calendar quarter. If the producer and processor are the
5 same person, then that person shall pay the assessment to the
6 council within thirty days following each calendar quarter.

7 3. The council may charge interest on any amount of the
8 assessment that is delinquent. The rate of interest shall not
9 be more than the current rate published in the Iowa
10 administrative bulletin by the department of revenue pursuant
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12 the date the assessment is delinquent, unless the council
13 designates a later date. The interest amount shall accrue for
14 each month in which there is delinquency calculated as
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17 become a part of the assessment due.

18 Sec. 3. Section 184.9, Code 2005, is amended by striking
19 the section and inserting in lieu thereof the following:

20 184.9 DUTIES OF THE COUNCIL -- MARKETING.

21 The council shall develop new and expand existing markets
22 for eggs and egg products, and may provide for any of the
23 following:

- 24 1. Increasing the utilization of eggs or egg products.
- 25 2. Increasing the awareness of the health benefits
26 associated with the consumption of eggs or egg products.
- 27 3. Increasing the awareness of the economic benefits
28 associated with the production and processing of eggs or egg
29 products.

30 Sec. 4. NEW SECTION. 184.9A DUTIES OF THE COUNCIL --
31 RESEARCH.

32 The council shall participate in research programs or
33 projects, including by conducting or financing such programs
34 or projects, relating to any of the following:

- 35 1. Increasing the utilization of eggs or egg products.

1 2. Improving the production or processing of eggs or egg
2 products.

3 3. Preventing, modifying, or eliminating barriers to trade
4 which obstruct the free flow of eggs or egg products in
5 commerce.

6 Sec. 5. NEW SECTION. 184.9B DUTIES OF THE COUNCIL --
7 EDUCATION.

8 The council shall participate in education programs or
9 projects, including by conducting or financing such programs
10 or projects, as follows:

11 1. The council's education programs or projects may
12 provide for any of the following:

13 a. The utilization of eggs or egg products.

14 b. The production or processing of eggs or egg products.

* 15 c. The safe consumption of eggs or egg products.

16 d. The prevention, modification, or elimination of
17 barriers to trade which obstruct the free flow of eggs or egg
18 products in commerce.

19 e. Increasing the awareness of the health benefits
20 associated with the consumption of eggs or egg products.

21 f. Increasing the awareness of the economic benefits
22 associated with the production and processing of eggs or egg
23 products.

24 2. The council's education programs or projects may be
25 designed to increase consumers' knowledge of the production or
26 processing of eggs, the preparation of eggs or egg products,
27 or the consumption of eggs or egg products.

28 3. As part of the council's education programs or projects
29 it may provide for the dissemination of information of public
30 interest, including but not limited to the development or
31 publication of materials in a printed or electronic format.

32 Sec. 6. Section 184.10, unnumbered paragraph 1, Code 2005,
33 is amended to read as follows:

34 The council may perform any function related that it deems
35 necessary to the production and marketing of eggs or egg

1 products carry out its purposes and duties as provided in this
2 chapter, including but not limited to doing any of the
3 following:

4 Sec. 7. Section 184.10, subsection 6, Code 2005, is
5 amended to read as follows:

6 6. Become a dues-paying member of an organization carrying
7 out a purpose related to the-increased any of the following:

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10 products.

11 Sec. 8. Section 184.10, subsection 7, Code 2005, is
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17 department may assist the council in administering an
18 election, upon request to the secretary by the council.

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23 by the auditor of state. The moneys transferred to the
24 council shall be used by the council first for the payment of
25 collection expenses, second for payment of the costs and
26 expenses arising in connection with conducting referendums,
27 and third to perform the functions and carry out the duties of
28 the council as provided in ~~section-184-9~~ this chapter. Moneys
29 remaining after the council is abolished and the imposition of
30 an assessment is terminated pursuant to a referendum conducted
31 pursuant to section 184.5 shall continue to be expended in
32 accordance with this chapter until exhausted.

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HOUSE FILE 580

AN ACT

RELATING TO THE ADMINISTRATION OF THE IOWA EGG COUNCIL,
INCLUDING BY PROVIDING FOR THE USE, PROMOTION, AND RESEARCH
OF EGGS AND EGG PRODUCTS, AND PROVIDING FOR AN ASSESSMENT.

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

Section 1. Section 184.1, subsection 4, Code 2005, is amended to read as follows:

4. "Eggs" means eggs produced from a layer-type chicken. "Eggs" includes shell eggs or eggs broken for further processing, ~~but does.~~ However, "eggs" does not include fertile any of the following:

a. Fertile eggs that are incubated, hatched, or used for vaccines.

b. Organic eggs which are produced as part of a production operation which is certified by the department pursuant to chapter 190C.

Sec. 2. Section 184.3, Code 2005, is amended to read as follows:

184.3 ASSESSMENT.

1. a. ~~The council shall establish~~ Except as provided in paragraph "b", an assessment amount for of two and one-half cents is imposed on each thirty dozen eggs produced in this state. The assessment shall be imposed on a producer at the time of delivery to a purchaser who shall deduct the assessment from the price paid to a producer at the time of sale. The assessment shall not be refundable. The assessment is due to be paid to the council within thirty days following each calendar quarter, as provided by the council.

b. Upon request of the council, the secretary shall call a special referendum for producers to vote on whether to authorize an increase in the assessment to an amount that is more than two and one-half cents imposed on each thirty dozen eggs produced in this state. Notice shall be given and the special referendum shall be conducted in the manner provided in section 184.5. If a majority of the producers voting approves the increase, the council may increase the assessment for the amount approved. However, the assessment shall not exceed fifteen cents imposed on each thirty dozen eggs produced in this state.

2. If the producer sells eggs to a purchaser outside the state of Iowa, the producer shall deduct the tax assessment from the amount received from the sale and shall forward the amount deducted to the council within thirty days following each calendar quarter. If the producer and processor are the same person, then that person shall pay the assessment to the council within thirty days following each calendar quarter.

3. The council may charge interest on any amount of the assessment that is delinquent. The rate of interest shall not be more than the current rate published in the Iowa administrative bulletin by the department of revenue pursuant to section 421.7. The interest amount shall be computed from the date the assessment is delinquent, unless the council designates a later date. The interest amount shall accrue for each month in which there is delinquency calculated as provided in section 421.7, and counting each fraction of a month as an entire month. The interest amount due shall become a part of the assessment due.

Sec. 3. Section 184.9, Code 2005, is amended by striking the section and inserting in lieu thereof the following:

184.9 DUTIES OF THE COUNCIL -- MARKETING.

The council shall develop new and expand existing markets for eggs and egg products, and may provide for any of the following:

1. Increasing the utilization of eggs or egg products.
2. Increasing the awareness of the health benefits associated with the consumption of eggs or egg products.
3. Increasing the awareness of the economic benefits associated with the production and processing of eggs or egg products.

Sec. 4. NEW SECTION. 184.9A DUTIES OF THE COUNCIL -- RESEARCH.

The council shall participate in research programs or projects, including by conducting or financing such programs or projects, relating to any of the following:

1. Increasing the utilization of eggs or egg products.
2. Improving the production or processing of eggs or egg products.
3. Preventing, modifying, or eliminating barriers to trade which obstruct the free flow of eggs or egg products in commerce.

Sec. 5. NEW SECTION. 184.9B DUTIES OF THE COUNCIL -- EDUCATION.

The council shall participate in education programs or projects, including by conducting or financing such programs or projects, as follows:

1. The council's education programs or projects may provide for any of the following:
 - a. The utilization of eggs or egg products.
 - b. The production or processing of eggs or egg products.
 - c. The safe consumption of eggs or egg products.
 - d. The prevention, modification, or elimination of barriers to trade which obstruct the free flow of eggs or egg products in commerce.
 - e. Increasing the awareness of the health benefits associated with the consumption of eggs or egg products.
 - f. Increasing the awareness of the economic benefits associated with the production and processing of eggs or egg products.

2. The council's education programs or projects may be designed to increase consumers' knowledge of the production or processing of eggs, the preparation of eggs or egg products, or the consumption of eggs or egg products.

3. As part of the council's education programs or projects it may provide for the dissemination of information of public interest, including but not limited to the development or publication of materials in a printed or electronic format.

Sec. 6. Section 184.10, unnumbered paragraph 1, Code 2005, is amended to read as follows:

The council may perform any function related that it deems necessary to the production and marketing of eggs or egg products carry out its purposes and duties as provided in this chapter, including but not limited to doing any of the following:

Sec. 7. Section 184.10, subsection 6, Code 2005, is amended to read as follows:

6. Become a dues-paying member of an organization carrying out a purpose related to the increased any of the following:
 - a. The production or processing of eggs or egg products.
 - b. The consumption and or utilization of eggs or egg products.

Sec. 8. Section 184.10, subsection 7, Code 2005, is amended by striking the subsection and inserting in lieu thereof the following:

7. Administer elections for members of the council and provide for the appointment of persons to fill vacancies occurring on the council, as provided in section 184.8. The department may assist the council in administering an election, upon request to the secretary by the council.

Sec. 9. Section 184.14, unnumbered paragraph 2, Code 2005, is amended to read as follows:

Moneys collected, deposited in the fund, and transferred to the council as provided in this chapter are subject to audit by the auditor of state. The moneys transferred to the

council shall be used by the council first for the payment of collection expenses, second for payment of the costs and expenses arising in connection with conducting referendums, and third to perform the functions and carry out the duties of the council as provided in ~~section-184-9~~ this chapter. Moneys remaining after the council is abolished and the imposition of an assessment is terminated pursuant to a referendum conducted pursuant to section 184.5 shall continue to be expended in accordance with this chapter until exhausted.

CHRISTOPHER C. RANTS
Speaker of the House

JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 580, Eighty-first General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved 4/19, 2005

THOMAS J. VILSACK
Governor