January 22, 1963. **House File 40**

Agriculture 1. By HAGIE, CAMP, HIRSCH, KIBBIE, DARRINGTON, BOCK, GRAHAM, CARSTENSEN and SWISHER.

Passed House, Date..... Passed Senate, Date.....

Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....

Approved.....

A BILL FOR

An Act relating to agricultural marketing, including a deduction in the form of a special excise tax on the sale of certain livestock sold in Iowa, the proceeds of which are to be used for the promotion of livestock and livestock products.

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

1 Section 1. Section one hundred fifty-nine point twenty-
2 (159.20), Code 1962, is amended as follows:
3 Strike from lines three (3) and four (4) the words, "within
4 the Iowa department of agriculture".
5 Further amend said section by striking the words "may be" in
6 line eight (8) and inserting in lieu thereof the word "is".
7 Further amend said section by striking from lines nine (9)
8 and ten (10) the words "by this division of this chapter".
9 Further amend said section by inserting after the word "the"
10 and before the word "division" in line sixteen (16) the words
11 "state department of agriculture and the"; also strike from line
12 twenty (20) the word "and".
13 Further amend said section by striking the words "secretary
14 of agriculture upon approval of such appointment by the" from
15 lines twenty-five (25), twenty-six (26) and twenty-seven (27).
16 Further amend said section by adding the following after the
17 word "agencies" in line twenty-four (24):
18 "; and (7) to encourage sales of and quality in livestock and
19 livestock products through education, research, marketing, animal

20 disease indemnity and public relations programs at the state, na-
21 tional or international level, sponsored by the agriculture mar-
22 keting board, or partially sponsored by it in co-operation with
23 other interested parties, including governmental agencies".

1 Sec. 2. Section one hundred fifty-nine point twenty-one
2 (159.21), Code 1962, is amended by deleting the words "secretary
3 of agriculture" in line three (3) and inserting in lieu thereof
4 the words "agriculture marketing board".

1 Sec. 3. Section one hundred fifty-nine point twenty-two
2 (159.22), Code 1962, is amended by deleting therefrom the words
3 "Iowa secretary of agriculture" in lines twelve (12) and thirteen
4 (13) and inserting in lieu thereof the words: "auditor of
5 state."

1 Sec. 4. Section one hundred fifty-nine point twenty-three
2 (159.23), Code 1962, is hereby repealed and the following enacted
3 in lieu thereof:

4 "All moneys available to the marketing division, whether from
5 appropriation, inspection and grading fees, or livestock deduc-
6 tions, shall be deposited in the state treasury in a separate
7 marketing division fund. The board may, from any of the moneys
8 received in accordance with the provisions of this Act, by ap-
9 proval of a majority of the board, make such expenditures as are
10 necessary for the administration of this division. Such funds
11 shall be subject at all times to the warrant of the state comp-
12 troller, drawn upon the written requisition of the chairman of
13 the board and attested to by its secretary, for the payment of
14 all salaries, costs and expenses necessary to carry out the pro-
15 visions of this Act. Provided, however, that no moneys collected
16 as a result of the livestock deduction provision herein shall be

17 expended other than for promotion and quality improvement of live-
18 stock and livestock products, as referred to in section one hun-
19 dred fifty-nine point twenty (159.20), subsection seven (7) herein
20 enacted."

1 Sec. 5. Section one hundred fifty-nine point twenty-five
2 (159.25), Code 1962, is hereby repealed and the following enacted
3 in lieu thereof:

4 "Marketing board. There is hereby established an agriculture
5 marketing board, to be thus known and designated.

6 "The agriculture marketing board shall be composed of the
7 secretary of agriculture and the dean of agriculture at Iowa
8 state university of science and technology, who shall serve as
9 members of the advisory board without vote, two producer members
10 from each of the following statutory associations: Iowa swine
11 producers association, Iowa beef cattle producers association,
12 Iowa state sheep association, Iowa state dairy association; and
13 one member each from the following statutory associations: Iowa
14 crop improvement association, Iowa poultry and hatchery associa-
15 tion and the state horticulture society. The names of five per-
16 sons shall be certified to the secretary of agriculture by the
17 presidents of the Iowa beef cattle producers association, Iowa
18 state dairy association and Iowa state sheep association by June 1
19 of each odd-numbered year. The secretary of agriculture shall ap-
20 point by July 1, two of these five from each organization to the
21 agriculture marketing board. Such an appointee shall serve for
22 a period of two years beginning on July 1 of the year of his ap-
23 pointment and until his successor is appointed or qualified.
24 Five names shall be submitted by the president of the Iowa swine
25 producers association and three names shall be submitted from the

26 Iowa poultry and hatchery association, state horticulture society,
27 and Iowa crop improvement association and appointments made in
28 the same manner in even-numbered years for their representation.
29 The secretary of agriculture shall appoint by July 1 of each such
30 year two of those named by the swine producers association and
31 one each from the names submitted by the poultry, horticulture
32 and crop improvement organizations to the marketing board. Pro-
33 vided, however, that no appointive member shall serve more than
34 two consecutive terms.

35 "However, the members from the swine producers association, the
36 poultry and hatchery association, the horticulture society and
37 the crop improvement association shall be selected and appointed
38 in the year 1963 and serve until their successors are appointed
39 and qualified in 1964.

40 "Appointive members of the board shall receive actual necessary
41 expenses and mileage at the rate of seven cents per mile incurred
42 while engaged in the business of the agriculture marketing board."

1 Sec. 6. Section one hundred fifty-nine point twenty-six
2 (159.26),Code 1962, is amended by inserting in line ten (10)
3 thereof, after the word "advertising" the words "and other".

4 Further amend said section by adding at the end thereof the
5 following:

6 "; (6) to authorize its agents to enter upon the premises of
7 any person charged by this chapter with remitting to the board
8 deducted funds, and to cause to be examined by such agent or
9 agents all books, records, documents and other instruments bear-
10 ing upon the amount of such deductions; provided, however, that
11 the board must first have reasonable grounds to believe that all
12 such deductions have not been remitted or fully accounted for as

13 required herein; (7) to expend from the deductions received from
14 swine sold for slaughter pursuant to section eight (8), subsec-
15 tion one (1), of this Act, funds in payment of hog cholera indem-
16 nities properly certified under appropriate provisions of the
17 Code of Iowa."

1 Sec. 7. Section one hundred fifty-nine point twenty-seven
2 (159.27), Code 1962, is amended by deleting the words "The market-
3 ing division" in lines one (1) and two (2) and the words "either"
4 and "division or" in line four (4).

1 Sec. 8. Chapter one hundred fifty-nine (159), Code 1962, is
2 amended by adding the following new sections:

3 "1. For the purposes of this Act a 'first purchaser' shall be
4 defined as that person, corporation, co-operative, partnership,
5 association or other business unit making the first purchase for
6 slaughter of any cattle, swine or sheep produced in while or in
7 part in Iowa.

8 "Deduction shall be made from sales in Iowa of all such cattle,
9 swine or sheep by the first purchaser, who shall deduct from the
10 proceeds of such sales ten (10) cents per head for cattle; five
11 (5) cents per head for swine and veal calves; and two and one-
12 half (2½) cents per head for sheep and lambs, and forward such
13 deduction to the board not later than the last day of the month
14 following the month in which the sale took place. Amounts for-
15 warded after expiration of such period shall have a penalty in-
16 cluded in the amount of ten (10) percent of such delinquent re-
17 mittance.

18 "However, this deduction shall not apply to such livestock
19 sales where sale is made directly to the consumer by the producer
20 of such livestock.

21 "2. The board is authorized to enter into arrangements with
22 persons purchasing Iowa livestock outside of Iowa on the basis
23 provided in subsection one (1) above of this section, for remis-
24 sion of the livestock deduction by such buyers.

25 "3. Any person from whom the livestock deduction shall have
26 been collected may, by written application filed with the board
27 within sixty (60) days after its payment by him, have said amount
28 remitted to him by the board.

29 "4. Any person who shall violate or assist in the violation
30 of any of the provisions of this Act shall be deemed guilty of
31 a misdemeanor."

1 Sec. 9. On the effective date of this Act the terms of the
2 marketing board members appointed under section one hundred fifty-
3 nine point twenty-five (159.25), Code 1962, repealed by this Act,
4 are terminated.

EXPLANATION OF HOUSE FILE 40

Livestock is responsible for 80 percent of Iowa farm income. This, in turn, makes the livestock industry of extreme importance to the economy of the state. This Act would make it possible to expand sales and improve quality of Iowa livestock and livestock products through education, research, animal disease indemnity, marketing and public relations programs financed wholly or partially by a nominal check-off on producers. The check-off is voluntary. This deduction plan to obtain funds for commodity development and promotion, already successfully used in Iowa and in many other midwestern states, would enable Iowa livestock producers to pool their resources at a small cost to themselves in effectively seeking expansion of markets for the products they produce.