

February 28, 1963.
Passed on File. *agriculture 2 3/11*

House File 435
By WALTER.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act relating to the Iowa egg industry.

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

1 Section 1. Definitions. As used in this chapter:

2 1. The term "commission" shall mean the Iowa egg industry
3 commission.

4 2. The term "person" shall mean individuals, corporations,
5 partnerships, trusts, associations, co-operatives, and any and
6 all other business units.

7 3. The term "producer" shall mean and include every person
8 who produces eggs and thereafter sells the same as eggs or egg
9 products.

10 4. The term "dealer" shall mean and include any person who
11 buys, sells, manufactures, processes, ships eggs or egg products,
12 or who acts as sales or purchasing agent, broker or factor of
13 eggs or egg products.

1 Sec. 2. Commission created. There is hereby created an
2 "Iowa egg industry commission" to be thus known and designated.

3 This commission shall be composed of the head of the poultry
4 science department of Iowa state university of science and
5 technology, the extension egg marketing specialist, Iowa state
6 university of science and technology, and the chief of the
7 division of consumer protection of the department of
8 agriculture and in addition thereto seven members appointed by

9 the secretary of agriculture as immediately hereinafter
10 provided.

11 The board of directors of the Iowa poultry association
12 shall on or before the fifteenth day of May of each odd-
13 numbered year nominate for the office of commissioners three
14 persons from each congressional district within the state,
15 as constituted January 1, 1962, all of whom shall be egg
16 producers, which list shall on or before the first day of
17 June following be certified to the secretary of agriculture
18 by the president and secretary of the Iowa poultry association
19 and the said secretary of agriculture shall, on or before the
20 second Tuesday in June of each odd-numbered calendar year,
21 appoint one of the said nominees so certified from each of
22 said districts as a member of the Iowa egg industry commission
23 who shall serve for a period of two years from July 1, follow-
24 ing his appointment and until his successor is duly appointed
25 and has qualified. Any vacancy occurring in said Iowa egg
26 industry commission shall be filled by the said secretary of
27 agriculture from nominations made by the board of directors of
28 the Iowa poultry association in the manner heretofore provided.
29 The appointive members of the commission shall receive actual
30 necessary expenses and mileage at the rate of seven (7) cents
31 per mile while engaged in the business of the Iowa egg industry
32 commission.

1 Sec. 3. Powers and duties. The powers and duties of the
2 commission shall include the following:

3 1. To elect a chairman, a secretary, and from time to time
4 such other officers as it may deem advisable, and from time to
5 time to adopt, rescind, modify and amend all proper and

6 necessary rules, regulations and orders for the exercise of
7 its power and performance of its duties, which rules, regula-
8 tions and orders shall have the force and effect of law when
9 not inconsistent with existing laws.

10 2. To receive, administer, disburse and account for, in
11 addition to the funds received from the excise tax hereinafter
12 imposed by section five (5), all such other funds as may be
13 voluntarily contributed to said commission for the purpose of
14 promoting eggs and egg products.

15 All taxes levied and imposed under this chapter and any
16 voluntary contributions made to the egg industry commission
17 shall be paid to and collected by the secretary of the
18 commission who shall remit to the treasurer of state quarterly,
19 and at the same time render to the state comptroller an
20 itemized and verified report showing the source from which
21 said taxes and voluntary contributions were obtained. All
22 such taxes and voluntary contributions received, collected and
23 remitted shall be placed in a special fund by the treasurer of
24 state and the state comptroller to be known as the "egg industry
25 fund" to be used by the Iowa egg industry commission for the
26 purposes set out in this chapter and to administer and enforce
27 the laws relative thereto.

28 3. To administer and enforce this chapter, and do and
29 perform all acts and exercise all powers reasonably necessary
30 to effectuate the purpose of this chapter.

31 4. To employ at its pleasure and discharge at its pleasure
32 such attorneys, advertising counsel, advertising agencies,
33 clerks, and employees as it deems necessary, and to prescribe
34 their duties and powers and fix their compensation.

35 5. To establish offices and incur any and all expenses, and
36 to enter into any and all contracts and agreements for the
37 proper administration and enforcement of this chapter.

38 6. To report alleged violations of this chapter to the
39 attorney general of the state of Iowa.

40 7. To conduct scientific research for the purpose of
41 developing programs to create and increase consumer demand for
42 eggs.

43 8. To make in the name of the commission such advertising
44 contracts and other agreements as it deems necessary to promote
45 the sale and consumption of eggs and egg products on either a
46 state or national basis.

47 9. To keep accurate books, records, and accounts of all
48 its dealings, which books, records, and accounts shall be open
49 to inspection and audit by the board of directors of the Iowa
50 poultry association or its representatives, and shall be
51 audited by the auditor of state.

1 Sec. 4. Promotion, Advertising, Education, Research. The
2 commission shall plan and conduct a campaign for commodity,
3 advertising, publicity and sales promotion, research and
4 educational campaigns to increase the consumption of eggs, and
5 may contract for any advertising, publicity, and sales promotion,
6 research and educational service. To accomplish such purpose
7 the commission shall have power and it may, among other things,
8 disseminate information as follows:

9 1. Relating to eggs and egg products and their high nutrition-
10 al value and importance thereof in the diet of the people.

11 2. Relating to the development of more efficient and
12 economical methods and means used and employed in the production,

13 processing, and marketing of eggs and egg products.

14 3. Relating to the methods of the producer and dealer in
15 producing and handling eggs to insure a quality product.

16 4. Relating to the development of new markets for quality
17 eggs and egg products.

18 5. Relating to the factors of instability peculiar to the
19 egg industry, such as unbalanced production, influence of
20 consumer purchasing power, and price relative to the cost of
21 other items of food in the normal diet of people, all to the
22 end that an intelligent and increasing consumer demand may be
23 stimulated.

24 6. Relating to the possibilities of increasing consumption
25 of eggs and egg products.

26 7. Relating to such other, further and additional informa-
27 tion as shall tend to promote increased consumption of eggs
28 and egg products, and as may foster a better understanding and
29 more efficient cooperation between producers and the consuming
30 public.

31 8. Relating to the cooperation of retail grocers, restaurants,
32 hotels and institutional users in promoting the consumption of
33 eggs and egg products.

1 Sec. 5. Excise tax.

2 1. There is hereby levied and imposed an excise tax of two
3 (2) cents per thirty (30) dozen case or fraction thereof upon
4 all eggs sold in the state during the period beginning July 1,
5 and terminating December 31, inclusive, annually; provided,
6 however, that the provisions of this section shall not apply to
7 eggs produced outside the state.

8 2. All taxes levied and imposed under this chapter shall be

9 deducted from the price charged by the producer and shall be
10 collected by the first dealer; provided, however, that:

11 a. Where the producer produces eggs and thereafter sells
12 the same directly to the consumer the taxes aforesaid shall
13 be held by such producer.

14 b. Where the producer sells to any dealer outside the
15 state the taxes aforesaid shall be due and payable by such
16 producer before the shipment is made, except that the
17 commission may make such agreements with extra state
18 dealers for the keeping of records and the collection of
19 the taxes aforesaid as are necessary to secure the payment
20 of the said taxes within the time fixed by this chapter.

21 c. All eggs produced for hatchery purposes that are
22 actually used for hatchery purposes shall be excluded from
23 the excise tax.

24 All taxes levied and imposed under this chapter shall be
25 paid to and collected by the secretary of the commission who
26 shall remit to the treasurer of state quarterly, and at the
27 same time render to the state comptroller, itemized and
28 verified report showing the source from which said taxes were
29 obtained. All such taxes collected and remitted shall be
30 placed in a special fund by the treasurer of state and the
31 state comptroller, to be known as the "egg industry fund",
32 to be used by the Iowa egg industry commission for the purposes
33 set out in this chapter and to administer and enforce the laws
34 relative thereto.

35 Any person from whom the excise tax provided in this chapter
36 is collected may, by application filed with this commission
37 within thirty days after the collection from him of said tax,

38 have said tax remitted to him by the commission.

1 Sec. 6. Producers' records. Every producer shipping eggs
2 to any dealer outside of Iowa who is not by agreement with the
3 commission collecting the tax imposed by this chapter, and
4 every first dealer within the state and every producer
5 distributing eggs directly to the consumer, shall keep a
6 complete and accurate record of all eggs taxed by this chapter
7 during the period of July 1 to December 31, inclusive, of each
8 year. Such records shall be in such form and contain such
9 information as the commission shall by rule or regulation
10 prescribe and shall be preserved by the person charged with
11 their making for a period of two years and shall be offered
12 or submitted for inspection at any time upon written or oral
13 request by the commission or its duly authorized agent or
14 employee.

1 Sec. 7. Returns filed with commission. Every person charged
2 by this chapter or by agreement with the commission with the
3 keeping of records provided for in this chapter shall at such
4 times as the commission may by rule or regulation require, file
5 with the commission a return on forms to be prescribed and
6 furnished by the commission stating the quantity of eggs
7 purchased by such person from the various producers of eggs or
8 their agents in the state during the period of time prescribed
9 in subsection one (1) of section five (5). Such return shall
10 contain such other information as the commission may require, and
11 shall be made in triplicate, one copy of which shall be for the
12 files of the person making the return and one copy available at
13 the office of such person, for the use of his patrons, and the
14 original filed with the commission.

1 Sec. 8. Payment of expenses. No part of the expense incurred
2 by the commission shall be paid out of any funds in the state
3 treasury except said egg industry fund which shall be subject
4 at all times to the warrant of the state comptroller, drawn
5 upon written requisition of the chairman of the commission and
6 attested by the secretary for the payment of all salaries, and
7 other expenses necessary to carry out the provisions of this
8 chapter, but in no event shall the total expenses therefor
9 exceed the total taxes collected and deposited to the credit
10 of said fund.

1 Sec. 9. Investigations by commission. The commission shall
2 have the power to cause its authorized agents to enter upon the
3 premises of any person charged by this chapter or by agreement
4 with the commission with the collection of the excise tax imposed
5 by this chapter, and to cause to be examined by any such agent
6 any books, records, documents, or other instruments bearing upon
7 the amount of such tax collected or to be collected by such
8 person; provided that the commission has reasonable ground to
9 believe that all the tax herein levied has not been collected,
10 or if it has not been fully accounted for as herein provided.

1 Sec. 10. Report. The commission shall on or before the
2 first day of March of each year make a full and complete report
3 of its doings for the previous calendar year to the board of
4 directors of the Iowa poultry association, which report shall
5 show the amount of money received and the expenditures thereof,
6 and shall be printed in the annual agricultural year book issued
7 by the secretary of agriculture.

1 Sec. 11. Penalties. Any person who shall violate or aid in
2 the violation of any of the provisions of this chapter shall be

3 deemed guilty of a misdemeanor and upon conviction thereof shall
4 be punished by a fine of not to exceed one hundred (100) dollars,
5 or by imprisonment in the county jail not to exceed thirty (30)
6 days. All prosecutions for alleged violations of the provisions
7 of this chapter shall be by the county attorney of the county in
8 which such alleged violation occurred and shall be instituted
9 and conducted under the direction and authority of the attorney
10 general of the state.

1 Sec. 12. This Act being deemed of immediate importance shall
2 be in full force and effect from and after its passage and
3 publication in the Eldora Herald-Ledger, a newspaper published
4 at Eldora, Iowa, and the Ames Daily Tribune, a newspaper
5 published at Ames, Iowa.

EXPLANATION OF HOUSE FILE 435

Egg consumption has declined from 392 eggs per capita in 1951 to 322 eggs in 1962. This emphasizes the urgent need for the egg industry to develop greatly expanded promotion, education and research programs.

The Iowa egg industry—a \$276 million dollar industry—faces a serious challenge in the immediate future. The past several years the Iowa egg industry has been a declining industry. Iowa no longer leads the nation in egg production. We now rank second to California and our annual egg production has declined from 5 billion eggs to 4½ billion.

Eighty percent of the eggs produced in Iowa must be marketed outside the state. The principal markets for Iowa eggs are New York and Chicago. It is in these out-of-state markets that we must meet the market challenge of eggs produced in other areas. To be successful in meeting this challenge the Iowa egg industry needs to develop immediately a strong promotion program. Our cost of production is competitive with other areas, but they are doing a far better job of selling their eggs.

This proposed act will establish an egg check-off or set-aside that will provide the vitally needed funds to enable the Iowa egg industry to develop the promotional, educational and research programs necessary to keep Iowa in the egg business. We can ill afford to lose all or any of this 276 million dollar industry.

This act has the exact same provisions as those in chapter 179 of the Code which was enacted 10 years ago for the dairy industry and which has proven so successful.

It is proposed that the egg industry be provided with the same self-help legislation on a basis identical to that provided the dairy industry.

This act would provide a 2c excise tax on each 30 dozen case of eggs produced from July 1 to December 31 each year. A producer, upon request, could have the tax refunded to him.