

Regular Session, 2014

HOUSE BILL NO. 1045

BY REPRESENTATIVE LEBAS

AGRICULTURE/RICE: Provides relative to assessments levied by the Louisiana Rice Promotion Board

1 AN ACT

2 To amend and reenact R.S. 3:3533(B), (C), and (E), 3534(A)(1) and (2), (G), and (H)(1), and
3 3537(A) and to repeal R.S. 3:3533(F) and 3534(B) and (I), relative to the Louisiana
4 Rice Promotion Board; to provide for the membership of the board; to provide for
5 the duties and responsibilities of the board; to provide for the levy of certain
6 assessments; to provide for rice producer refunds; to provide for use and transfer of
7 funds; to repeal the levy of additional assessments; to repeal authority for referenda
8 for assessment purposes; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 3:3533(B), (C), and (E), 3534(A)(1) and (2), (G), and (H)(1), and
11 3537(A) are hereby amended and reenacted to read as follows:

12 §3533. Creation and organization

13 * * *

14 B. The board shall be composed of ~~nine~~ eleven members appointed by the
15 governor, ~~subject to Senate confirmation.~~ Each member shall be subject to Senate
16 confirmation, except the commissioner or his designee. Members shall serve for
17 four-year terms which shall begin on the ~~first~~ fifteenth day of ~~July~~ August of ~~1988~~
18 2014 and each four years thereafter. ~~Members shall be appointed in accordance with~~
19 ~~the following provisions:~~ The board shall be composed of the following members:

1 ~~(1) To plan and conduct, in such manner as the board may determine,~~
2 ~~referenda among producers for the approval or disapproval of the program in~~
3 ~~accordance with the provisions of this Chapter.~~

4 ~~(2)~~ (1) To make recommendations and to advise the commissioner
5 concerning rules and regulations relating to the administration of the collection of
6 the assessments.

7 ~~(3)~~ (2) To enter into contracts for rice promotion with rice promotion and
8 other organizations relating to the production, handling, marketing, and utilization
9 of rice, which rice promotion organizations may include nonprofit organizations of
10 which members of the board are members.

11 ~~(4)~~ (3) To keep minutes, books, and records which will clearly reflect all of
12 its meetings, acts and transactions. The minutes, books, and records at all times shall
13 be subject to examination by any rice producer on whom an assessment has been
14 collected.

15 ~~(5)~~ (4) To publicize the actions of the board in the news media serving the
16 rice areas of Louisiana.

17 ~~(6)~~ (5) To investigate and cause prosecution to be instituted for violation of
18 the provisions of this Chapter.

19 §3534. Levy of assessment; ~~referendum~~; collection; and enforcement; records;
20 refunds; transfer of funds

21 A. Levy of assessment.

22 (1) There is hereby levied an assessment at the rate ~~not to exceed~~ of three
23 cents per hundredweight, or the equivalent thereof, of dry rough "paddy" rice
24 produced in this state and a rate ~~not to exceed~~ of two and seventy one-hundredths
25 cents per hundredweight, or the equivalent thereof, on rice produced in this state and
26 sold on a "green weight" basis.

27 (2) The obligation to pay the assessment shall apply to the producer for all
28 rice marketed by him. To facilitate collection, this assessment shall be deducted by
29 each miller or handler from the amount paid the producer at the first point of sale

Proposed law changes the date for commencement of four-year terms from July 1, 1988, to Aug. 15, 2014. Adds the La. Independent Rice Producers Assoc. as a nominating entity required to submit a list of nominees by a certain date.

Present law empowers the La. Rice Promotion Board with the following duties:

- (1) To plan and conduct referenda among producers for approval or disapproval of the program.
- (2) To advise the commissioner relative to the administration of the collection of assessments.
- (3) To enter into contracts for rice promotion, which may be with nonprofit organizations to which members of the board may belong.
- (4) To keep minutes, books, and records which reflect all meetings, acts, and transactions which shall be subject to examination by any assessed rice producer.
- (5) To publicize the actions of the board.
- (6) To impose penalties for any violation of the provisions of present law.

Proposed law retains present law but removes the authority to plan and conduct referenda.

Present law provides for the levy of an assessment not to exceed 3¢ per hundredweight of dry rough "paddy" rice and not to exceed 2.70¢ per hundredweight of "green-weight" rice, which shall apply to all rice marketed by a producer. Further provides for the assessment to be deducted by the miller or handler at the first point of sale. Additionally provides that the assessment not be imposed unless approved by referendum vote of a majority of rice producers.

Proposed law retains present law collection provisions but changes present law assessment amount from a 0-to-3¢ range to 3¢ per hundredweight on dry rough "paddy" rice and changes present law assessment amount from a 0-to-2.70¢ range to 2.70¢ per hundredweight on "green weight" rice and removes present law referendum provision for assessment purposes.

Present law provides that any rice producer may receive a refund of the amount deducted from the sale of his rice upon written application with the commissioner within 30 days from the sale date supported by producer-signed copies of sales slips submitted prior to the accounting and transfer of funds to the board. Further provides for a referendum vote of rice producers to abolish the refund provisions which would render such refund null and void.

Proposed law retains present law provision for an assessment refund subject to written application with the commissioner within a certain time period but removes present law referendum requirements to abolish refund provisions.

Proposed law provides that the refund be paid to the producer no later than 60 days after the commissioner receives the producer's application for a refund. Further requires a two-thirds vote of the legislature to repeal the refund.

Present law provides for the commissioner to annually pay to the board the funds collected less administrative costs not to exceed 2% of the gross amount collected.

Proposed law retains present law relative to the transfer of funds to the board but changes present law fund transfer period from annually to monthly.

Present law authorizes the board to dedicate the balance of funds to rice promotion, less expenses of collection and administration and costs of referenda. Further provides that the board determines organizations and agencies to contract for promotion services within or outside of the state.

Proposed law retains present law provisions relative to the expenditure of funds for rice promotion and contracted services but removes present law provision for fund allowance to defray costs of referenda.

Present law provides for the imposition of assessments, effective for five crop years and extended indefinitely in five-year increments, only by referendum vote of a majority of rice producers. Further provides for criteria for referendum participation and notification of results.

Proposed law repeals present law.

Present law provides for additional assessments at a rate not to exceed 2¢ per hundredweight on dry rough "paddy" rice and such assessment reduced by 10% on "green weight" rice. Further provides that the additional assessments are subject to all other assessment requirements including provisions for referenda and extension in five-year increments, subject to referenda.

Proposed law repeals present law.

(Amends R.S. 3:3533(B), (C), and (E), 3534(A)(1) and (2), (G), and (H)(1), and 3537(A); Repeals R.S. 3:3533(F) and 3534(B) and (I))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Agriculture, Forestry, Aquaculture, and Rural Development to the original bill.

1. Made technical changes.
2. Added two members to the nine-member La. Rice Promotion Board beginning Aug. 15, 2014, and removed the advisor to the board.
3. Required the nominating entities to submit lists of nominees for appointment consideration not less than 30 days prior to Aug. 15, 2014, and every four years thereafter.
4. Required the commissioner to pay a refund to the producer no later than 60 days after receipt of the producer's application for a refund.
5. Required a two-thirds vote of the legislature to repeal the refund.