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 <u>eleven</u> 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:

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(1) Six members shall be appointed from a list of twelve persons nominated
2	by the Louisiana Rice Council.
3	(2) One member shall be appointed from a list of three persons nominated
4	by the Louisiana Rice Growers Association.
5	(3) One member shall be appointed from a list of three persons nominated
6	by the American Rice Growers Cooperative Association.
7	(4) One member shall be appointed from a list of three persons nominated
8	by the Louisiana Farm Bureau Federation, Inc.
9	(5) One member appointed from a list of three persons nominated by the
10	Louisiana Independent Rice Producers Association.
11	(6) The commissioner of agriculture or his designee.
12	C. Not less than thirty days prior to the first fifteenth day of July August in
13	1988 2014 and every four years thereafter, the Louisiana Rice Council, the Louisiana
14	Rice Growers Association, the American Rice Growers Cooperative Association, and
15	the Louisiana Farm Bureau Federation, and the Louisiana Independent Rice
16	Producers Association shall each submit the names of their nominees, all of whom
17	shall be rice producers, to the governor, who shall appoint the required number of
18	board members from each set of nominees. In the event that the governor fails to
19	appoint the members of the board in accordance with this Section, the current
20	members shall continue to serve until their successors are appointed.
21	* * *
22	E. The members of the board shall meet and organize immediately after their
23	appointment and shall elect a chairman, vice chairman, and secretary-treasurer from
24	the membership of the board. The duties of the officers shall be those customarily
25	exercised by such officers or specifically designated by the board. The board may
26	establish rules and regulations for its own government and the administration of the
27	affairs of the board and shall have the following duties, functions, and authorizations
28	in addition to and in conjunction with the aforenamed:

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 \underline{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

1	only, whether within or without the state.; however, the assessment shall not be
2	imposed unless and until the question of its imposition has been submitted to and
3	been approved by a majority of the rice producers who vote in referendum as
4	provided in Subsection B of this Section.
5	* * *
6	G. Refunds.
7	(1) Any rice producer may request and receive a refund of the amount
8	deducted from his share of the proceeds from the sale of his rice provided he makes
9	a written application with the commissioner within thirty days from the date of sale
10	supported by copies of sales slips signed by the producer and provided further that
11	the application is filed before the annual accounting is made and the funds paid to
12	the board.
13	(2) The refund shall be paid to the producer no later than sixty days after the
14	commissioner receives the producer's application for a refund.
15	(3) Any repeal of the refund provided in this Subsection shall require two-
16	thirds vote of the legislature.
17	(2) Provided however, the refund as provided in this Subsection shall not be
18	available if a majority of the rice producers who vote in a referendum to be called
19	and held by the board after January 1, 1992, vote to abolish the refund provisions of
20	this Subsection.
21	(3) If a majority of the rice producers who vote in such a referendum vote
22	to abolish the refund provisions, such refund provisions shall be null and void and
23	shall thereafter have no effect.
24	H. Transfer of funds.
25	(1) The commissioner of agriculture shall annually monthly pay over to the
26	Louisiana Rice Promotion Board the funds collected less the actual cost of
27	administering and collecting the assessment levied herein up to but not to exceed two
28	percent of the gross amount collected.
29	* * *

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 A. After deduction from the proceeds of the assessment, the excollection and administration, including costs of referenda, the board shares 	
3 collection and administration, including costs of referenda, the board sha	xpenses of
	ll dedicate
4 the balance to rice promotion. The board shall have the discretion a	as to what
5 organizations and agencies to expend monies for such purposes. Use of t	hese funds
6 may be applied within or without <u>outside of</u> the state of Louisiana,	including
7 regional, national, and international applications.	
8 * * *	
9 Section 2. R.S. 3:3533(F) and 3534(B) and (I) are hereby repealed in the	ir entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

LeBas

HB No. 1045

Abstract: Provides for the membership and terms of the La. Rice Promotion Board, clarifies the duties of the board, provides for certain assessments to be levied and collected on dry rough "paddy" rice and rice sold on "green weight" basis, provides for the payment of a refund, provides for the transfer and use of funds, repeals the levy of additional assessments, and repeals referenda for assessment purposes.

Present law provides for a nine-member La. Rice Promotion Board appointed by the governor, subject to Senate confirmation. Further provides for four-year terms of office beginning July 1, 1988, and every four years thereafter. Members are appointed as follows:

- Six members appointed from a list of twelve persons nominated by the La. Rice (1)Council.
- One member appointed from a list of three persons nominated by the La. Rice (2)Growers Assoc.
- (3) One member appointed from a list of three persons nominated by the American Rice Growers Assoc.
- (4) One member appointed from a list of three persons nominated by the La. Farm Bureau Federation, Inc.

Proposed law retains present law but changes the effective date for terms from July 1, 1988, to Aug. 15, 2014. Proposed law adds one member appointed from a list of three persons nominated by the La. Independent Rice Producers Assoc. and adds the commissioner or his designee, who will not be subject to Senate confirmation. Removes the commissioner as an advisor to the board.

Present law requires the nominating entities to submit their respective list of nominees for appointment consideration no later than 30 days prior to July 1, 1988, and every four years thereafter.

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<u>Proposed law</u> changes the date for commencement of four-year terms <u>from</u> July 1, 1988, <u>to</u> 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 <u>present law</u>.

<u>Proposed law</u> retains <u>present law</u> but removes the authority to plan and conduct referenda.

<u>Present law</u> provides for the levy of an assessment not to exceed 3ϕ 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.

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

<u>Present law</u> 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.

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

<u>Proposed law</u> 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.

<u>Present law</u> 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.

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

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<u>Present law</u> 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.

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

<u>Present law</u> 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.

<u>Present law</u> provides for additional assessments at a rate not to exceed 2ϕ 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 <u>House Committee on Agriculture, Forestry,</u> <u>Aquaculture, and Rural Development</u> to the <u>original</u> 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.