

Regular Session, 2014

HOUSE BILL NO. 886

BY REPRESENTATIVE MONToucET

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

1 AN ACT

2 To amend and reenact R.S. 3:3543(B), (C), and (D), 3544(A)(1) and (3), (E), (F)(3) and (4),
3 and (H)(1), and 3547(A) and to repeal R.S. 3:3543(E) and 3544(A)(10), (B), and
4 (H)(5), relative to the Louisiana Rice Research Board; to provide for the membership
5 and duties of the board; to provide for the levy of certain assessments on dry rough
6 "paddy" rice; to provide for rice producer refunds; to provide relative to the time
7 period for the transfer of funds; to repeal authority for referenda for assessment
8 purposes; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 3:3543(B), (C), and (D), 3544(A)(1) and (3), (E), (F)(3) and (4), and
11 (H)(1), and 3547(A) are hereby amended and reenacted to read as follows:

12 §3543. Louisiana Rice Research Board; creation and organization

13 * * *

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

1 begin on the fifteenth day of August in 2014 and each four years thereafter. The
2 board shall consist of the following members:

3 (1) Six members ~~shall be~~ appointed from a list of ten persons nominated by
4 the Louisiana Farm Bureau, Inc.

5 (2) Five members ~~shall be~~ appointed from a list of eight persons nominated
6 by the Louisiana Rice Growers Association.

7 (3) Two members ~~shall be~~ appointed from a list of four persons nominated
8 by the American Rice Growers Cooperative Association.

9 (4) One member appointed from a list of three persons nominated by the
10 Louisiana Independent Rice Growers Association.

11 (5) The commissioner of agriculture or his designee.

12 C. Not less than thirty days prior to ~~July 1, 1988~~ August 15, 2014, and every
13 four years thereafter, the Louisiana Farm Bureau, Inc., the Louisiana Rice Growers
14 Association, ~~and~~ the American Rice Growers Cooperative Association, and the
15 Louisiana Independent Rice Producers Association each shall submit the names of
16 their nominees, all of whom shall be rice producers, to the governor who shall
17 appoint the required number of board members from each set of nominees. In the
18 event that the governor fails to appoint the members of the board in accordance with
19 this Section, the current members shall continue to serve until their replacements are
20 appointed. Board members shall be eligible to succeed themselves on the board if
21 they meet the prescribed qualifications and are reappointed by the governor.

22 D. 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, whose duties shall be those customarily exercised by
25 such officers or specifically designated by the board. The board may establish rules
26 and regulations for its own government and the administration of the affairs of the
27 board and shall have the following duties, functions, and authorizations in addition
28 to and in conjunction with the aforementioned:

1 ~~(1) To plan and conduct referenda among producers for the approval or~~
2 ~~disapproval of the program in accordance with the provisions of this Chapter.~~

3 ~~(2)~~(1) To make recommendations and to advise the commissioner
4 concerning rules and regulations relating to the administration of the collection of
5 the assessments.

6 ~~(3)~~(2) To receive the funds from the state treasury in accordance with the
7 provisions of this Chapter.

8 ~~(4)~~(3) To expend funds collected for rice research and to enter into contracts
9 with rice research organizations and/or agencies relating to the production, handling,
10 marketing, or utilization of rice for the purposes of research.

11 ~~(5)~~(4) To keep minutes, books, and records which will clearly reflect all of
12 its meetings, acts, and transactions. Said minutes, books, and records shall at all
13 times be subject to examination by any rice producer on whom an assessment has
14 been collected.

15 ~~(6)~~(5) To publicize the actions of the board in the news media serving the
16 rice areas of Louisiana.

17 §3544. Levy of assessment; ~~referendum~~; collection; enforcement; transfer of funds

18 A. Levy of assessment.

19 (1) There is imposed and levied an assessment at the rate ~~not to exceed~~ of
20 three cents per hundredweight, or the equivalent thereof, of dry rough "paddy" rice
21 produced in this state.

22 * * *

23 (3) The obligation to pay the assessment shall apply to the producer for all
24 rice marketed by him. To facilitate collection, this assessment is to be deducted by
25 each miller or handler from the amount paid the producer at the first point of sale
26 only, whether within or ~~without~~ outside the state; ~~however, the assessment shall not~~
27 ~~be imposed unless and until the question of its imposition and the amount thereof has~~
28 ~~been submitted to and been approved by a majority of the rice producers who vote~~
29 ~~in referendum to be called and held by the board within ninety days following the~~

1 ~~effective date of this Chapter. If the assessment is approved as provided in this~~
2 ~~Section, the assessment shall become effective July 1, 1973.~~

3 * * *

4 E. Refunds.

5 (1) Any rice producer may request and receive a refund of the amount
6 deducted from his share of the proceeds from the sale of his rice provided he makes
7 a written application with the commissioner within thirty days from the date of sale
8 supported by copies of weight or settlement sheets by the buyer and provided further
9 that the application is filed before the annual accounting is made and the funds paid
10 to the board.

11 (2) The refund shall be paid to the producer no later than sixty days after the
12 commissioner receives the producer's application for a refund.

13 (3) Any repeal of the refund provided in this Subsection shall require a two-
14 thirds vote of the legislature.

15 ~~(2) Provided however, the refund as provided in this Subsection shall not be~~
16 ~~available if a majority of the rice producers who vote in a referendum to be called~~
17 ~~and held by the board after January 1, 1992, vote to abolish the refund provisions of~~
18 ~~this Subsection.~~

19 ~~(3) If a majority of the rice producers who vote in such a referendum vote~~
20 ~~to abolish the refund provisions, such refund provisions shall be null and void and~~
21 ~~shall thereafter have no effect.~~

22 F. Transfer of funds.

23 * * *

24 (3) The commissioner of agriculture shall ~~annually~~ monthly pay over to the
25 Louisiana Rice Research Board the funds collected less the actual cost of
26 administering and collecting the assessment levied herein up to but not to exceed two
27 percent of the gross amount collected.

28 (4) The ~~annual~~ monthly settlement to the Louisiana Rice Research Board
29 shall be ~~made as of the first day of July of each year and shall be~~ accompanied by a

complete audit of all funds collected and disbursed, and costs actually incurred in the collection and administration of the assessment.

* * *

H. Additional assessments.

(1) In addition to all other assessments levied pursuant to this Section there is hereby levied an assessment at a rate ~~not to exceed~~ of two cents per hundredweight, or the equivalent thereof, on dry rough "paddy" rice produced in this state.

* * *

§3547. Use of funds

A. The board shall dedicate, after deducting for administrative expenses, the amounts determined needed for rice research. The board shall have authority to contract for services in order to accomplish the purpose for which it is created. Use of these funds may be applied within or ~~without~~ outside the ~~State~~ state of Louisiana, including regional, national and international applications as long as the research will benefit Louisiana rice producers. ~~Such funds may also be used to defray costs or referenda.~~

* * *

Section 2. R.S. 3:3543(E) and 3544(A)(10), (B), and (H)(5) are hereby repealed in their 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)]

Montoucet

HB No. 886

Abstract: Provides for the membership and terms of appointment of the La. Rice Research Board, provides for certain assessments to be levied, imposed, and collected on dry rough "paddy" rice, provides for the payment of a refund, and repeals referenda for assessment purposes.

Present law provides for the 13-member La. Rice Research Board to be appointed by the governor for four-year terms from lists of nominees submitted by the La. Farm Bureau, the La. Rice Growers Assoc., and the American Rice Growers Cooperative Assoc.

Proposed law retains present law and adds the following two members to the board: (1) one member appointed from a list of three persons nominated by the La. Independent Rice Producers Assoc., and (2) the commissioner of agriculture or his designee, who will not be subject to Senate confirmation. Removes the commissioner as an advisor to the board.

Present law provides for the board's four-year terms of office to begin July 1, 1988.

Proposed law changes the effective date for the four-year terms from July 1, 1988, to August 15, 2014.

Present law requires 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.

Proposed law changes the date for commencement of four-year terms from July 1, 1988, to August 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 provides for board members to elect certain officers, establish rules and regulations, and be empowered with the following duties:

- (1) To plan and conduct referenda among producers for the approval or disapproval of the program.
- (2) To receive funds from the state treasury.
- (3) To make recommendations to the commissioner concerning rules and regulations relative to the collection of the assessment.
- (4) To expend collected funds for rice research and enter into contracts with certain organizations for purposes of rice research.
- (5) To keep accurate minutes, books, and records reflective of all meetings, acts, and transactions which are subject to examination by any rice producer.
- (6) To publicize board actions in news media serving the rice areas of the state.

Proposed law retains present law provisions for the election of officers, establishment of rules and regulations and certain duties but removes the present law board duty to plan and conduct referenda for program purposes.

Present law provides for an assessment to be levied and imposed at a rate not to exceed 3¢ per hundredweight of dry rough "paddy" rice to be collected at the first point of sale. Further provides that the assessment not be imposed until its imposition and the amount thereof has been submitted to a majority of rice producers in a referendum vote.

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

Present law provides for an assessment refund pursuant to a written application with the commissioner within 30 days from the date of the sale and prior to the annual accounting and transfer of funds to the board. Further provides for a referendum vote of the producers to abolish the refund provisions which would render such refund null and void.

Proposed law retains the 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 transfer to the board funds collected less administrative costs in an amount not to exceed 2% of the gross amount collected. Further provides that the annual settlement to the board be accompanied by a complete audit of all funds collected and disbursed.

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

Present law provides for the levy of an additional assessment at a rate not to exceed 2¢ per hundredweight on dry rough "paddy" rice.

Proposed law changes the present law additional assessment rate from a 0-to-2¢ range to 2¢ per hundredweight.

Present law authorizes the board to determine an amount needed for rice research and to contract for services to accomplish such need. Further provides for the application of funds within or outside of the state subject to the benefit of La. rice producers. Additionally allows use of funds to defray costs or referenda.

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

Present law allows the assessment on rice to be extended indefinitely in five-year increments by approval in a referendum vote of rice producers.

Proposed law repeals present law.

Present law provides for the imposition of the assessment only by referendum vote of a majority of rice producers. Further provides for criteria for participation in a referendum and for notification of the referendum results.

Proposed law repeals present law.

Present law provides that additional assessments be 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. 3:3543(B), (C), and (D), 3544(A)(1) and (3), (E), (F)(3) and (4), and (H)(1) and 3547(A); Repeals R.S. 3:3543(E) and 3544(A)(10), (B), and (H)(5))

Summary of Amendments Adopted by House

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

1. Changed the appointing authority of the La. Rice Research Board from the commissioner of agriculture to the governor.
2. Added two members to the 13-member board beginning Aug. 15, 2014, and removes 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.