



January 15, 2026

HOUSE BILL No. 1398

DIGEST OF HB 1398 (Updated January 15, 2026 9:45 am - DI 148)

Citations Affected: IC 15-15; IC 15-19.

Synopsis: Agricultural programs. Creates the pork market development program (pork program) and the soybean market development program (soybean program). Specifies that the pork program and soybean program apply only if assessments are not levied and collected under federal law. Requires the Indiana Pork Producers Association, Inc., to administer the pork program and the Indiana Soybean Alliance to administer the soybean program. Establishes various procedures and requirements for operating the pork program and the soybean program. Makes technical corrections.

Effective: July 1, 2026.

Baird, Heine, Moed

January 8, 2026, read first time and referred to Committee on Agriculture and Rural Development.
January 15, 2026, amended, reported — Do Pass.

HB 1398—LS 7063/DI 150



January 15, 2026

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1398

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 15-15-12.5 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]:

4 **Chapter 12.5. Soybean Market Development**

5 **Sec. 1. (a) The Indiana Soybean Alliance shall serve as the**
6 **Qualified State Soybean Board for the state of Indiana as provided**
7 **in 7 CFR 1220.228(a)(1) as long as the ISA collects assessments**
8 **under the:**

9 **(1) Soybean Promotion, Research, and Consumer Information**
10 **Act (7 U.S.C. 6301 through 7 U.S.C. 6311); and**
11 **(2) Soybean Promotion and Research Order (7 CFR 1220).**

12 **(b) The provisions of this chapter, other than subsection (a),**
13 **apply only if assessments are not levied and collected under the:**

14 **(1) Soybean Promotion, Research, and Consumer Information**
15 **Act (7 U.S.C. 6301 through 7 U.S.C. 6311); and**
16 **(2) Soybean Promotion and Research Order (7 CFR 1220);**
17 **by the ISA as the Qualified State Soybean Board (as defined in 7**

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1 **CFR 1220.122).**

2 (c) Except as provided in subsection (d), this chapter applies to
 3 all types, varieties, and forms of soybeans marketed or sold as
 4 soybeans by a producer in Indiana.

5 (d) Organic soybean farmers are exempt from this chapter if an
 6 organic soybean farmer:

7 (1) receives an exemption under the National Organic
 8 Program (NOP) described in 7 CFR 205; and

9 (2) operates under an NOP approved organic system plan.

10 Sec. 2. As used in this chapter, "bushel" means sixty (60) pounds
 11 of soybeans by weight.

12 Sec. 3. As used in this chapter, "Commodity Credit
 13 Corporation" refers to the corporation that administers and issues
 14 loans under a price support loan program in exchange for soybeans
 15 pledged as collateral.

16 Sec. 4. As used in this chapter, "dean of agriculture" means the
 17 dean of agriculture at Purdue University.

18 Sec. 5. As used in this chapter, "department" refers to the
 19 Indiana state department of agriculture established by
 20 IC 15-11-2-1.

21 Sec. 6. As used in this chapter, "first purchase" means a sale of
 22 soybeans at the first point of delivery when the soybeans are:

23 (1) weighed;

24 (2) graded;

25 (3) titled; and

26 (4) transferred to the first purchaser.

27 Sec. 7. As used in this chapter, "first purchaser" means a person
 28 who is engaged in Indiana in the business of buying or acquiring
 29 soybeans from a producer or the Commodity Credit Corporation.

30 Sec. 8. As used in this chapter, "Indiana Soybean Alliance" or
 31 "ISA" refers to the Indiana Soybean Alliance, Inc., an Indiana
 32 nonprofit corporation incorporated in accordance with the laws of
 33 the state of Indiana on July 1, 1997.

34 Sec. 9. As used in this chapter, "market development" means to:

35 (1) provide for the development of new or larger domestic and
 36 foreign markets for products derived from soybeans; and

37 (2) access federal government money available to the state to
 38 further the market development activities described in
 39 subdivision (1).

40 Sec. 10. As used in this chapter, "marketing year" means the
 41 twelve (12) month period beginning October 1 and ending the
 42 following September 30.



1 **Sec. 11. As used in this chapter, "net market price" means the**
2 **price paid per bushel of soybeans sold after moisture and quality**
3 **discounts or premiums, but before any deductions for storage,**
4 **handling, drying, inspection, or other services.**

5 **Sec. 12. As used in this chapter, "person" means:**

- 6 (1) **an individual;**
- 7 (2) **a partnership;**
- 8 (3) **a limited liability company;**
- 9 (4) **a public or private corporation;**
- 10 (5) **a political subdivision (as defined in IC 36-1-2-13);**
- 11 (6) **a cooperative;**
- 12 (7) **a society;**
- 13 (8) **an association; or**
- 14 (9) **a fiduciary.**

15 **Sec. 13. As used in this chapter, "producer" means a person**
16 **engaged in the business of producing and marketing soybeans in**
17 **Indiana under:**

- 18 (1) **the producer's own name; or**
- 19 (2) **the name of an entity in which the producer has**
20 **ownership.**

21 **Sec. 14. As used in this chapter, "program" means the Indiana**
22 **soybean marketing program established under section 19 of this**
23 **chapter.**

24 **Sec. 15. As used in this chapter, "promotion" means:**

- 25 (1) **communication directly with soybean producers,**
26 **promoters, purchasers, consumers, and stakeholders;**
- 27 (2) **technical assistance; and**
- 28 (3) **trade marketing activities;**

29 **to enhance the marketing opportunities of soybeans and any**
30 **product derived from soybeans in domestic and foreign markets.**

31 **Sec. 16. As used in this chapter, "research" means a study to**
32 **advance the:**

- 33 (1) **marketability;**
- 34 (2) **production;**
- 35 (3) **product development;**
- 36 (4) **quality; or**
- 37 (5) **functional or nutritional value;**

38 **of soybeans and any product derived from soybeans, including**
39 **research activities designed to identify and analyze barriers to**
40 **domestic and foreign sales of soybeans.**

41 **Sec. 17. As used in this chapter, "sale" means:**

- 42 (1) **a conveyance of title to soybeans; or**



(2) the pledge or other encumbrance of soybeans as security for a loan extended by the Commodity Credit Corporation under a federal price support loan program.

Sec. 18. As used in this chapter, "soybeans" includes all types, varieties, and forms of soybeans grown in Indiana and marketed and sold as soybeans by the producer.

Sec. 19. (a) If this chapter applies as described in section 1 of this chapter, then the Indiana soybean marketing program is established. The ISA shall administer the program as required by this chapter.

(b) The ISA consists of twenty-six (26) voting and at least eight (8) ex officio, nonvoting board members. The elected board members from districts listed under section 22 of this chapter must:

- (1) be registered as voters in Indiana;
- (2) be at least eighteen (18) years of age;
- (3) be producers;
- (4) have an assessment on soybeans under section 28 of this chapter made during the previous two (2) years; and
- (5) not have requested or received a refund of any assessment during the previous two (2) years.

(c) Each elected board member of the ISA must reside in the district identified in section 22 of this chapter from which the board member is elected.

(d) The ISA shall elect a president, a vice president, a secretary, treasurer, and other officers the ISA considers necessary.

(e) A majority of the voting board members of the ISA constitutes a quorum. The affirmative votes of at least a majority of the quorum, and at least fourteen (14) affirmative votes, are required for the ISA to act.

(f) The ISA shall meet at least three (3) times in each marketing year at the call of the president or at the request of two-thirds (2/3) of the board members of the ISA.

(g) Each board member of the ISA who is not a state employee or a member of the general assembly is entitled to reimbursement for mileage, travel expenses, and other expenses actually incurred in connection with the board member's duties in accordance with the ISA's travel policy. Except as provided in section 22 of this chapter, ISA board members are not entitled to a salary or per diem. Reimbursement under this subsection shall be paid from funds of the ISA.

(h) Each board member of the ISA who is a state employee is



1 entitled to reimbursement for traveling expenses as provided under
2 IC 4-13-1-4 and other expenses actually incurred in connection
3 with the board member's duties as provided in the state policies
4 and procedures established by the Indiana department of
5 administration and approved by the budget agency.
6 Reimbursement under this subsection shall be paid from
7 appropriations made to the department.

8 Sec. 20. (a) The term of office of an elected or appointed ISA
9 board member is three (3) years. A board member's term of office
10 expires at the board meeting after the final marketing year in the
11 term. However, a board member continues in office until a
12 successor who meets the qualifications set forth in section 19 of this
13 chapter is elected or appointed.

14 (b) An elected or appointed ISA board member may not hold
15 office for more than three (3) full terms.

16 (c) Whenever an elected board member's office under section
17 22(a) of this chapter becomes vacant before the expiration of the
18 board member's term of office, the ISA shall fill the vacancy by
19 appointing a replacement member who meets the qualifications set
20 forth in section 19 of this chapter. The appointee shall serve for the
21 remainder of the unexpired term.

22 (d) Whenever the office of a board member appointed under
23 section 22(b), 22(c), 22(d), or 22(e) of this chapter becomes vacant,
24 the appointing authority who appointed the board member shall
25 fill the vacancy. An appointee under this subsection shall serve for
26 the remainder of the unexpired term.

27 Sec. 21. (a) When necessary, the ISA may appoint individuals
28 who hold offices of importance to the soybean industry or have
29 special expertise concerning the soybean industry to participate in
30 the work of the ISA. These individuals may not participate in votes
31 taken by the ISA but are eligible for reimbursement for traveling
32 expenses in the same manner as ISA board members under section
33 19(g) of this chapter.

34 (b) A person appointed under this section serves a term of one
35 (1) year but may be reappointed for additional terms.

36 Sec. 22. (a) Six (6) ISA board members shall be elected from
37 each of the following districts:

38 DISTRICT 1. The counties of Benton, Carroll, Cass, Clinton,
39 Elkhart, Fulton, Howard, Jasper, Kosciusko, Lake, LaPorte,
40 Marshall, Miami, Newton, Porter, Pulaski, St. Joseph, Starke,
41 Tipton, Wabash, and White.

42 DISTRICT 2. The counties of Adams, Allen, Blackford,



DeKalb, Delaware, Grant, Henry, Huntington, Jay,
LaGrange, Madison, Noble, Randolph, Steuben, Wayne,
Wells, and Whitley.

DISTRICT 3. The counties of Clay, Daviess, Dubois, Fountain, Gibson, Greene, Knox, Martin, Montgomery, Owen, Parke, Pike, Posey, Putnam, Spencer, Sullivan, Tippecanoe, Vanderburgh, Vermillion, Vigo, Warren, and Warrick.

DISTRICT 4. The counties of Bartholomew, Boone, Brown, Clark, Crawford, Dearborn, Decatur, Fayette, Floyd, Franklin, Hamilton, Hancock, Harrison, Hendricks, Jackson, Jefferson, Jennings, Johnson, Lawrence, Marion, Monroe, Morgan, Ohio, Orange, Perry, Ripley, Rush, Scott, Shelby, Switzerland, Union, and Washington.

(b) The dean of agriculture shall appoint one (1) representative of the largest general farm organization in Indiana, who must be a producer, to serve as a board member of the ISA.

(c) The dean of agriculture shall appoint one (1) representative of any agricultural membership organization in Indiana, who must be a producer, to serve as a board member of the ISA. The representative appointed in accordance with this subsection must represent a different organization than the representative appointed in accordance with subsection (b).

(d) The director shall appoint two (2) representatives of first purchaser organizations to serve as nonvoting ISA board members.

(e) Four (4) board members serve on the ISA, to be appointed as nonvoting board members as follows:

(1) One (1) board member appointed by the president pro tempore of the senate.

(2) One (1) board member appointed by the minority leader of the senate.

(3) One (1) board member appointed by the speaker of the house of representatives.

(4) One (1) board member appointed by the minority leader of the house of representatives.

The board members appointed under this subsection are ex officio nonvoting board members of the ISA. The members of the senate must be of different political parties. The members of the house of representatives must be of different political parties. Each ex officio board member of the ISA who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study



1 committees established by the legislative council. Per diem,
2 mileage, and travel allowances paid under this subsection shall be
3 paid from appropriations made to the legislative council or the
4 legislative services agency.

5 (f) The dean of agriculture or the dean's designee shall serve as
6 an ex officio, nonvoting ISA board member.

7 (g) The secretary of agriculture or the secretary's designee shall
8 serve as an ex officio, nonvoting ISA board member.

9 Sec. 23. (a) An election of an ISA board member shall be held in
10 a district in the year in which the term of the district's ISA board
11 member is to expire.

12 (b) The ISA shall provide notice to producers of the district of
13 the impending election by:

14 (1) publishing one (1) or more notices in a statewide
15 agricultural publication; and

16 (2) making information available to the news media in the
17 district;

18 four (4) months before the day of the election.

19 Sec. 24. (a) The ballot for the election of a district ISA board
20 member must include the name of each producer who:

21 (1) meets the qualifications set forth in section 19 of this
22 chapter; and

23 (2) files with the ISA a petition in support of candidacy signed
24 by ten (10) other producers who reside in the district.

25 (b) The ISA shall provide petition forms upon request and shall
26 make petition forms available via the ISA's website. All names on
27 the ballot must be listed in alphabetical order based on the
28 producer's surname.

29 (c) The ISA shall allow a producer to request a ballot through
30 the ISA's website.

31 (d) Each ballot submitted by a producer must contain an
32 attestation that the person is an eligible producer.

33 Sec. 25. The director shall appoint a third party person that
34 shall count all ballots and conduct other activities expressly
35 delegated to it by the director.

36 Sec. 26. The election of an ISA board member must be
37 conducted by the ISA in a manner designated by the ISA and set
38 forth in the notices required under section 23 of this chapter. The
39 winner of an election takes office at the first meeting after the end
40 of the marketing year.

41 Sec. 27. The ISA shall do the following:

42 (1) Employ personnel and contract for services that are



necessary for the proper implementation of this chapter

(2) Bond the ISA treasurer and such other persons as necessary to ensure adequate protection of funds received and administered by the ISA.

- (3) Authorize the expenditure of funds and the contracting of expenditures to conduct proper activities under this chapter.**
- (4) Annually establish priorities and prepare and approve a budget consistent with the estimated resources of the ISA and the scope of this chapter.**

(5) Annually provide:

(A) an activities report to the legislative council in an electronic format under IC 5-14-6; and

(B) an independent audit report to the state board of accounts

(6) Procure and evaluate data and information necessary for the proper implementation of this chapter.

(7) Formulate and execute assessment procedures and methods of collection.

Methods of collection.

- (8) Receive and investigate complaints and violations of this chapter.
- (9) Take necessary enforcement action against individuals

- (9) Take necessary enforcement action against individuals who violate this chapter.
- (10) Maintain bylaws and operating procedures governing operations of the ISA and the administration of funds collected under this chapter.

(11) Keep accurate accounts of all receipts and disbursements of funds handled by the ISA and have the receipts and disbursements audited annually by a certified public accountant.

(12) Take any other action necessary for the proper implementation of this chapter.

(13) Comply with the requirements under JC 5-14-1.5.

Sec. 28. (a) First purchasers shall collect an assessment equal to one-half of one percent (0.5%) of the net market price on all soybeans sold in Indiana and remit to the ISA all assessments collected under this section in the manner prescribed by subsection (f).

(b) The first purchaser may only impose and collect an assessment on a quantity of soybeans once.

(c) Only the general assembly may change the rate of the assessment imposed by this section.

(d) The first purchaser of a quantity of soybeans shall deduct



1 **the assessment on the soybeans from the money to be paid to the**
2 **producer based on the sale of the soybeans. A first purchaser shall**
3 **accumulate assessments collected under this section throughout**
4 **each of the following periods:**

5 **(1) January, February, and March.**
6 **(2) April, May, and June.**
7 **(3) July, August, and September.**
8 **(4) October, November, and December.**

9 **(e) Within thirty (30) days after the end of each period, the first**
10 **purchaser shall remit to the ISA all assessments collected during**
11 **the period. A first purchaser who remits all assessments collected**
12 **during a period within thirty (30) days after the end of the period**
13 **is entitled to retain three percent (3%) of the total of the**
14 **assessments as a handling fee.**

15 **(f) The assessment on the sale of the soybeans must occur at the**
16 **time of first purchase as the payment for the soybeans is received**
17 **by the producer.**

18 **Sec. 29. (a) The ISA shall pay all expenses incurred under this**
19 **chapter with money from the assessments remitted to the ISA**
20 **under this chapter.**

21 **(b) The ISA may invest all money the ISA receives under this**
22 **chapter, including gifts or grants that are given for the express**
23 **purpose of implementing this chapter, in the same way allowed by**
24 **law for public funds.**

25 **(c) The ISA may expend money from assessments and from**
26 **investment income not needed for expenses for market**
27 **development, promotion, and research.**

28 **(d) The ISA may not use money received, collected, or accrued**
29 **under this chapter for any purpose other than the purposes**
30 **authorized by this chapter. The amount of money expended on**
31 **administering this chapter in the ISA's fiscal year may not exceed**
32 **ten percent (10%) of the average amount of assessments, grants,**
33 **and gifts received by the ISA as calculated under subsection (e).**

34 **(e) The ISA shall determine the amount that it may expend to**
35 **administer this chapter using the following formula:**

36 **STEP ONE: Determine the amount of assessments, grants,**
37 **and gifts received by the ISA in each of the preceding five (5)**
38 **fiscal years beginning with the immediately preceding fiscal**
39 **year.**

40 **STEP TWO: Determine the average annual amount of**
41 **assessments, grants, and gifts received by the ISA in each**
42 **fiscal year using three (3) of the five (5) fiscal years described**



1 **in STEP ONE after excluding the two (2) years in which the**
 2 **amount of assessments, grants, and gifts received by the ISA**
 3 **were the highest and lowest totals.**

4 **STEP THREE: Divide the amount in STEP TWO by ten (10).**
 5 **The amount in STEP THREE is the maximum amount that the ISA**
 6 **may expend on administering this chapter for the current fiscal**
 7 **year.**

8 **(f) When the board members of the ISA evaluate and approve**
 9 **expenditures, ISA board members shall:**

10 **(1) emphasize programs that create opportunities and value**
 11 **for Indiana soybean farmers and their operations; and**
 12 **(2) prioritize collaborative projects with universities, states,**
 13 **and organizations that have:**

14 **(A) a regional;**
 15 **(B) a national; or**
 16 **(C) an international;**
 17 **impact.**

18 **(g) The ISA shall use at least fifty percent (50%) of the funds**
 19 **collected from the assessment under subsection (a) for approved**
 20 **expenditures that meet the criteria set forth in subsection (f)(2).**

21 **Sec. 30. (a) Assessments collected by the ISA under the program**
 22 **are subject to refund requests by a producer if the producer**
 23 **requests a refund pursuant to the procedure established by the**
 24 **ISA.**

25 **(b) A producer's application for a refund under this section**
 26 **must be made to the ISA not more than one hundred eighty (180)**
 27 **days after the state assessment is deducted from the sale price of**
 28 **the producer's soybeans.**

29 **(c) If a refund is due under this section, the ISA shall remit the**
 30 **refund to the producer not later than thirty (30) days after the date**
 31 **the producer's completed application and proof of assessment are**
 32 **received.**

33 **Sec. 31. (a) A first purchaser shall keep detailed records of all**
 34 **assessments collected and remitted under this chapter for at least**
 35 **three (3) years.**

36 **(b) Upon request, a first purchaser shall supply the ISA with**
 37 **any information from records kept under subsection (a).**

38 **(c) The ISA may periodically audit a first purchaser's checkoff**
 39 **assessment and remittance records kept under subsection (a). An**
 40 **audit must be conducted by:**

41 **(1) a qualified public accountant of the ISA's choosing; or**
 42 **(2) an auditor who is familiar with the:**



- (A) storage;
- (B) conditioning;
- (C) shipping; and
- (D) handling;

of agricultural commodities.

The costs of the audit shall be paid by the ISA.

Sec. 32. (a) If a first purchaser fails to remit the assessments collected during a period specified in section 28 of this chapter within thirty (30) days after the end of the period, the ISA shall contact the first purchaser and allow the first purchaser to present comments to the ISA concerning:

(1) the status and amount of the assessments due; and
(2) reasons why the ISA should not bring legal action against the first purchaser.

(b) After allowing a first purchaser the opportunity to present comments, the ISA:

- (1) may adjust the amount of the assessments due, if the first purchaser's comments reveal that the ISA's figure is inaccurate;
- (2) may assess a penalty against the first purchaser;
- (3) shall:

(A) assess a fee for an unpaid assessment due the ISA, from a person responsible for remitting assessments, at the rate of two percent (2%) of the amount of the unpaid assessment each month, beginning with the day following the date the assessment is due under this subsection; and (B) if there is any remaining amount due after the assessment of the fee under clause (A), assess a fee at the same rate on the corresponding day of each month thereafter until the entire amount of the unpaid assessment is paid;

- (4) shall compute the amounts payable on unpaid assessments under this section monthly and include any unpaid late charges previously applied under this section; and
- (5) shall determine the date of a payment for purposes of this subsection by the postmark applied to the remitting envelope or the date of the missed assessment.

(c) If a first purchaser fails to remit assessments after being allowed to present comments under subsection (a) or to pay any penalty assessed under subsection (b), the ISA may bring a civil action against the first purchaser in a circuit, superior, or municipal court of any county. The action shall be tried and a



1 **judgment rendered as in any other proceeding for the collection of
2 a debt. In an action under this subsection, the ISA may obtain:**

- 3 **(1) a judgment in the amount of all unremitted assessments
4 and any unpaid penalty; and**
- 5 **(2) an award of the costs of bringing the action.**

6 **Sec. 33. (a) Proceeds of the checkoff assessment collected by the
7 ISA under this chapter may not be used to influence legislation or
8 governmental action or policy.**

9 **(b) Proceeds of the assessment collected under this chapter may
10 be used to communicate information related to the:**

- 11 **(1) conduct;**
- 12 **(2) implementation; or**
- 13 **(3) results;**

14 **of promotion, research, and market development activities to
15 appropriate government officials.**

16 **Sec. 34. (a) If a person fails to discharge a duty imposed by this
17 chapter other than remitted assessments, the ISA shall allow the
18 person an opportunity to present comments to the ISA concerning
19 reasons why the ISA should not bring legal action against the
20 person.**

21 **(b) If it is necessary to obtain compliance with this chapter, the
22 ISA may bring an action against the person in a circuit, superior,
23 or municipal court of any county seeking an injunction mandating
24 compliance and any other appropriate legal remedies.**

25 **(c) In an action under this section, the ISA may be granted
26 injunctive relief without establishing the absence of an adequate
27 remedy at law.**

28 **SECTION 2. IC 15-19-8 IS ADDED TO THE INDIANA CODE AS
29 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
30 1, 2026]:**

31 **Chapter 8. Indiana Pork Market Development**

32 **Sec. 1. (a) This chapter applies only if all assessment collection
33 programs and checkoff programs are not operated under the:**

- 34 **(1) Pork Promotion, Research, and Consumer Information
35 Act (7 U.S.C. 4801 through 7 U.S.C. 4819); and**
- 36 **(2) Pork Promotion and Research Order (7 CFR 1230);**

37 **by the IPPA.**

38 **(b) If the assessments described under subsection (a) are levied,
39 the IPPA may not:**

- 40 **(1) collect assessments; or**
- 41 **(2) conduct any other activity that is expressly preempted by
42 a program described in subsection (a).**



(c) Except as provided in subsection (d), this chapter applies to all types, varieties, and forms of pork marketed or sold as pork by a producer in Indiana.

(d) Organic hog farmers are exempt from this chapter if an organic hog farmer:

- (1) receives an exemption under the National Organic Program (NOP) described in 7 CFR 205; and
- (2) operates under an NOP approved organic system plan.

Sec. 2. As used in this chapter, "board of directors" refers to the governing body of the program.

Sec. 3. As used in this chapter, "first purchaser" refers to the following:

- (1) A person that buys or is engaged in the business of receiving a porcine animal as a commission merchant.
- (2) A person that buys or is engaged in the business of receiving a porcine animal at an auction market.
- (3) A person that buys or is engaged in the business of receiving a porcine animal at a livestock market.
- (4) A producer that raises a porcine animal, slaughters the porcine animal, and sells the pork.
- (5) A person in the business of purchasing a porcine animal on behalf of a producer.

Sec. 4. As used in this chapter, "Indiana Pork Advocacy Coalition" or "INPAC" refers to the Indiana Pork Advocacy Coalition, Inc., an Indiana nonprofit corporation organized under the laws of the State of Indiana on October 12, 2001.

Sec. 5. As used in this chapter, "IPPA" refers to the Indiana Pork Producers Association, Inc., an Indiana nonprofit corporation incorporated under the laws of the State of Indiana on February 13, 1952.

Sec. 6. As used in this chapter, "Indiana Soybean Alliance" refers to the Indiana Soybean Alliance, Inc., an Indiana nonprofit corporation incorporated under the laws of the State of Indiana on July 1, 1997.

Sec. 7. As used in this chapter, "INPAC director" means the executive director of INPAC.

Sec. 8. As used in this chapter, "market" means to advertise:

(1) the sale;
(2) the slaughter for sale; or
(3) any other method of disposal;
porcine animal in commerce.

Sec. 9. As used in this chapter, "market value" refers to the



1 **following:**

2 **(1) If a porcine animal is slaughtered for sale by a producer,**
 3 **the most recent annual seven-market average for barrows and**
 4 **gilts, as published by the USDA.**

5 **(2) If a porcine animal is imported, the declared value.**

6 **(3) If a pork product is imported, an amount that represents**
 7 **the value of the live porcine animal from that the pork**
 8 **product was derived, based on the most recent annual**
 9 **seven-market average for barrows and gilts, as published by**
 10 **the USDA.**

11 **Sec. 10. As used in this chapter, "National Pork Board" refers**
 12 **to the National Pork Board as established by 7 U.S.C. 4808.**

13 **Sec. 11. As used in this chapter, "National Pork Producers**
 14 **Council" refers to the National Pork Producers Council, organized**
 15 **under the laws of the State of Iowa on March 28, 1968.**

16 **Sec. 12. As used in this chapter, "person" means:**

17 **(1) an individual;**

18 **(2) a partnership;**

19 **(3) a limited liability company;**

20 **(4) a public or private corporation;**

21 **(5) a political subdivision (as defined in IC 36-1-2-13);**

22 **(6) a cooperative;**

23 **(7) a society;**

24 **(8) an association; or**

25 **(9) a fiduciary.**

26 **Sec. 13. As used in this chapter, "porcine animal" means a swine**
 27 **that is raised as a:**

28 **(1) feeder pig that is a young pig sold to another person to be**
 29 **finished for slaughtering over a period of more than one (1)**
 30 **month;**

31 **(2) seedstock pig for breeding purposes and included in the**
 32 **breeding herd; or**

33 **(3) market hog, slaughtered by the producer or sold to be**
 34 **slaughtered, usually within one (1) month of the transfer.**

35 **Sec. 14. As used in this chapter, "pork" means the flesh of a**
 36 **porcine animal.**

37 **Sec. 15. As used in this chapter, "pork product" means an edible**
 38 **product:**

39 **(1) produced; or**

40 **(2) processed;**

41 **in whole or in part from pork.**

42 **Sec. 16. As used in this chapter, "producer" means a person**



1 **engaged in the business of farming and marketing hogs in Indiana**
 2 **under:**

- 3 (1) the producer's own name; or
- 4 (2) the name of an entity in which the producer has
- 5 ownership.

6 **Sec. 17. As used in this chapter, "program" means the Indiana**
 7 **pork marketing program.**

8 **Sec. 18. As used in this chapter, "promotion" means:**

- 9 (1) communication directly with pork producers, promoters,
- 10 purchasers, consumers, and stakeholders;
- 11 (2) technical assistance; and
- 12 (3) trade marketing activities;

13 **to enhance the marketing opportunities of pork and any product**
 14 **containing pork in domestic and foreign markets and increase**
 15 **access to federal government money available for Indiana pork**
 16 **producers.**

17 **Sec. 19. As used in this chapter, "purchase" means a sale of**
 18 **pork at the first point of delivery when the pork is:**

- 19 (1) weighed;
- 20 (2) graded;
- 21 (3) titled; and
- 22 (4) transferred to the purchaser.

23 **Sec. 20. As used in this chapter, "research" means a study to**
 24 **advance the:**

- 25 (1) marketability;
- 26 (2) production;
- 27 (3) product development;
- 28 (4) quality; or
- 29 (5) functional or nutritional value;

30 **of pork and any product derived from pork, including research**
 31 **activities designed to identify and analyze barriers to domestic and**
 32 **foreign sales of pork.**

33 **Sec. 21. As used in this chapter, "USDA" means the United**
 34 **States Department of Agriculture.**

35 **Sec. 22. As used in this chapter, "voting members" means the**
 36 **voting members of the IPPA.**

37 **Sec. 23. (a) The Indiana pork marketing program is established.**
 38 **The IPPA shall administer the program.**

39 **(b) The board of directors consists of the following voting board**
 40 **members:**

- 41 (1) At least three (3) and no more than twelve (12) at large
- 42 members, each of which are voting members of the IPPA, as



1 **follows:**

2 (A) Each elected by the voting members of the IPPA.

3 (B) No more than two (2) at-large members may represent

4 any one (1) county within Indiana.

5 (C) Each may serve for a term of two (2) years from the

6 date of the member's election.

7 (D) Each may not serve more than three (3) consecutive

8 terms.

9 (2) At least (1) but no more than three (3) affiliated industry

10 members, as follows:

11 (A) Each elected by the voting members of the IPPA.

12 (B) Each of which represents an industry reasonably

13 affiliated with the pork industry.

14 (C) Each may serve for a term of two (2) years from the

15 date of the member's election.

16 (D) Each may not serve more than three (3) consecutive

17 terms.

18 (3) The director of the National Pork Board, who serves as an

19 ex officio member.

20 (4) The director of the National Pork Producers Council, who

21 serves as an ex officio member.

22 (5) One (1) member of the board of directors of the IPPA

23 appointed by the dean of agriculture at Purdue University,

24 whose term expires if the dean appoints a replacement.

25 (6) One (1) member of the board of directors of the IPPA

26 appointed by the director of INPAC, whose term expires if the

27 INPAC director appoints a replacement.

28 (7) One (1) member who is the preceding president of the

29 IPPA, whose term as a member of the board of directors

30 expires when the current president's term concludes.

31 (8) The executive director of the IPPA, who serves as an ex

32 officio member.

33 (9) One (1) appointee of the chief executive officer of the

34 Indiana Soybean Alliance, whose term as a member of the

35 board of directors expires if the chief executive officer of the

36 Indiana Soybean Alliance appoints a replacement.

37 (c) In addition to the requirements under subsection (b), a

38 member of the board of directors must meet the following criteria:

39 (1) Be a registered voter in Indiana.

40 (2) Be at least eighteen (18) years of age.

41 (3) Be a producer.

42 (d) The IPPA shall elect a president, vice president, secretary,



1 **treasurer, and any other officers deemed necessary by the board**
2 **of directors.**

3 **(e) One-third (1/3) of the members of the board of directors**
4 **constitutes a quorum. An affirmative vote of at least a majority of**
5 **the quorum is required for the board of directors to act.**

6 **(f) The board of directors shall meet at least three (3) times in**
7 **each calendar year:**

8 **(1) at the call of the president; or**

9 **(2) at the request of two-thirds (2/3) of the members of the**
10 **board of directors.**

11 **(g) Each member of the board of directors who is not a state**
12 **employee or a member of the general assembly is entitled to**
13 **reimbursement for mileage, travel expenses, and other expenses**
14 **actually incurred in connection with the board member's duties in**
15 **accordance with the IPPA's travel policy. Except as provided**
16 **subsection (h) of this chapter, the members of the board of**
17 **directors are not entitled to a salary or per diem as consideration**
18 **for their service as a member of the board of directors.**
19 **Reimbursements under this subsection must be paid from funds of**
20 **the IPPA.**

21 **(h) Each member of the board of directors who is a state**
22 **employee is entitled to reimbursement for traveling expenses as**
23 **provided under IC 4-13-1-4 and other expenses actually incurred**
24 **in connection with the member's duties as provided in the state**
25 **policies and procedures established by the Indiana department of**
26 **administration and approved by the budget agency.**
27 **Reimbursements under this subsection must be paid from**
28 **appropriations made to the legislative council or the legislative**
29 **services agency.**

30 **(i) A board member continues in office until a successor who**
31 **meets the applicable qualifications set forth in subsection (b) is**
32 **elected or appointed.**

33 **(j) If a vacancy occurs on the board of directors, the appointing**
34 **authority that appointed the member whose position is vacant shall**
35 **appoint an individual to fill the vacancy.**

36 **(k) The members of the board of directors must be elected by a**
37 **majority vote of the voting members of IPPA at the annual**
38 **meeting.**

39 **Sec. 24. (a) When necessary, the IPPA may appoint an**
40 **individual who:**

41 **(1) holds an office of importance to the pork industry; or**

42 **(2) has special expertise concerning the pork industry;**



1 **to participate in the work of the IPPA.**

2 **(b) An individual appointed under subsection (a) may not**
3 **participate in votes taken by the IPPA. However, the appointed**
4 **individual is eligible for reimbursement for travel expenses in the**
5 **same manner as IPPA's board members under section 23(g) of this**
6 **chapter.**

7 **(c) An individual appointed under this section serves a term of**
8 **one (1) year but may be reappointed for additional terms.**

9 **Sec. 25. The IPPA shall do the following:**

10 **(1) Employ personnel and contract for services that are**
11 **necessary for the proper implementation of this chapter.**

12 **(2) Bond the IPPA treasurer and any other person as**
13 **necessary to ensure adequate protection of funds received and**
14 **administered by the IPPA.**

15 **(3) Authorize the expenditure of funds and the contracting of**
16 **expenditures to conduct proper activities under this chapter.**

17 **(4) Annually establish priorities and prepare and approve a**
18 **budget consistent with the estimated resources of the IPPA**
19 **and the scope of this chapter.**

20 **(5) Annually provide:**

21 **(A) an activities report to the legislative council in an**
22 **electronic format under IC 5-14-6; and**

23 **(B) an independent audit report to the state board of**
24 **accounts.**

25 **(6) Procure and evaluate data and information necessary for**
26 **the proper implementation of this chapter.**

27 **(7) Formulate and execute assessment procedures and**
28 **methods of collection.**

29 **(8) Receive and investigate complaints and violations of this**
30 **chapter.**

31 **(9) Take necessary enforcement action against an individual**
32 **who violates this chapter.**

33 **(10) Maintain bylaws and operating procedures governing**
34 **operations of the IPPA and the administration of funds**
35 **collected under this chapter.**

36 **(11) Keep accurate accounts of all receipts and disbursements**
37 **of funds handled by the IPPA and have the receipts and**
38 **disbursements audited annually by a certified public**
39 **accountant.**

40 **(12) Take any other action necessary to properly implement**
41 **this chapter.**

42 **(13) Comply with the requirements under IC 5-14-1.5.**



1 **Sec. 26. (a) A producer operating in Indiana that does any of the**
 2 **following shall pay an assessment:**

- 3 (1) Raises and sells a porcine animal as a feeder pig.
- 4 (2) Raises and sells a porcine animal for slaughter.
- 5 (3) Raises a porcine animal, slaughters the porcine animal,
 and sells the pork.
- 6 (4) Raises a porcine animal for breeding stock.

7 (b) A producer is exempt from paying an assessment on an
 8 animal if the producer demonstrates to the IPPA board of
 9 directors through appropriate documentation that an assessment
 10 was previously paid on the animal in question.

11 **Sec. 27. (a) The first purchaser shall collect an assessment equal**
 12 **to thirty-five cents (\$0.35) per one hundred dollars (\$100) of**
 13 **market value.**

14 (b) The first purchaser may only impose and collect an
 15 assessment on a porcine animal or a pork product once.

16 (c) Only the general assembly may change the rate of the
 17 assessment imposed by this section.

18 (d) The first purchaser of a porcine animal or a pork product
 19 shall deduct the assessment on the porcine animal or pork product
 20 from the money to be paid to the producer or importer based on
 21 the sale of the porcine animal or pork product. A first purchaser
 22 shall accumulate assessments collected under this section
 23 throughout each of the following periods:

- 24 (1) January, February, and March.
- 25 (2) April, May, and June.
- 26 (3) July, August, and September.
- 27 (4) October, November, and December.

28 (e) Not more than thirty (30) days after the end of each period,
 29 the first purchaser shall remit to the IPPA all assessments collected
 30 during the period in a manner prescribed by the IPPA.

31 (f) The assessment on the sale of the porcine animal or pork
 32 product must occur at the time of first purchase as the payment for
 33 the porcine animal or pork product is received by the producer or
 34 importer.

35 **Sec. 28. (a) The IPPA shall pay all expenses incurred under this**
 36 **chapter with money from the assessments remitted to the IPPA**
 37 **under this chapter.**

38 (b) The IPPA may invest all money the IPPA receives under this
 39 chapter, including gifts or grants that are given for the express
 40 purpose of implementing this chapter, in the same way allowed by
 41 law for public funds.



(c) The IPPA may expend money from assessments and from investment income not needed for expenses for promotion and research.

(d) The IPPA may not use money received, collected, or accrued under this chapter for any purpose other than the purposes authorized by this chapter. The amount of money expended on administering this chapter in the IPPA's fiscal year may not exceed an amount deemed reasonable by the IPPA to enable it to exercise its powers and perform its duties in accordance with this chapter, including the financing of certain plans and projects.

(e) The IPPA shall use eighty percent (80%) of the assessment funds collected under section 27 of this chapter to carry out the functions of the National Pork Board that is no longer operating.

Sec. 29. (a) Assessments collected by the IPPA under the program are subject to refund requests by a producer if the producer requests a refund under the procedure established by the IPPA.

(b) A producer's application for a refund under this section must be made to the IPPA not more than one hundred eighty (180) days after the assessment is deducted from the market value of the porcine animal or pork product.

(c) If a refund is due under this section, the IPPA shall remit the refund to the producer not later than thirty (30) days after the date the producer's completed application and proof of assessment are received.

Sec. 30. (a) A first purchaser shall keep detailed records of all assessments collected and remitted under this chapter for at least three (3) years.

(b) Upon request, a first purchaser shall supply the IPPA with any information from records kept under subsection (a).

(c) The IPPA may periodically audit a first purchaser's checkoff assessment and remittance records kept under subsection (a). An audit must be conducted by:

- (1) a certified public accountant of the IPPA's choosing; or
- (2) an auditor who is familiar with the:

- (A) storage;
- (B) conditioning;
- (C) shipping; and
- (D) handling;

of agricultural commodities. The costs of the audit shall be paid by the IPPA.

Sec. 31. (a) If a first purchaser fails to remit the assessments



1 collected during a period specified in section 29 of this chapter not
2 more than thirty (30) days after the end of the period, the IPPA
3 shall contact the first purchaser and allow the first purchaser to
4 present comments to the IPPA concerning:

5 (1) the status and amount of the assessments due; and
6 (2) reasons why the IPPA should not bring legal action against
7 the first purchaser.

8 (b) After allowing a first purchaser the opportunity to present
9 comments, the IPPA:

10 (1) may adjust the amount of the assessments due, if the first
11 purchaser's comments reveal that the IPPA's figure is
12 inaccurate;

13 (2) may assess a penalty against the first purchaser;

14 (3) shall:

15 (A) assess a fee for an unpaid assessment due to the IPPA
16 from a person responsible for remitting assessments at the
17 rate of two percent (2%) of the amount of the unpaid
18 assessment each month, beginning with the day following
19 the date the assessment is due under this subsection; and
20 (B) if there is any remaining amount due after the
21 assessment of the fee under clause (A), assess a fee at the
22 same rate on the corresponding day of each month
23 thereafter until the entire amount of the unpaid assessment
24 is paid;

25 (4) shall compute the amounts payable on unpaid assessments
26 under this section monthly and include any unpaid late
27 charges previously applied under this section; and

28 (5) shall determine the date of a payment for purposes of this
29 subsection by the postmark applied to the remitting envelope
30 or date Automated Clearing House (ACH) transfer is
31 originated.

32 (c) If a first purchaser fails to remit assessments after being
33 allowed to present comments under subsection (a) or to pay any
34 penalty assessed under subsection (b), the IPPA may bring a civil
35 action against the first purchaser in a circuit, superior, or
36 municipal court of any county. The action must be tried and a
37 judgment rendered as in any other proceeding for the collection of
38 a debt. In an action under this subsection, the IPPA may obtain:

39 (1) a judgment in the amount of all unremitted assessments
40 and any unpaid penalty; and

41 (2) an award of the costs of bringing the action.

42 Sec. 32. (a) The IPPA may not use proceeds of the assessment



1 collected under this chapter to influence legislation or
2 governmental action or policy.

3 (b) The IPPA may not use proceeds of the assessment collected
4 under this chapter to communicate information related to the:

5 (1) conduct;
6 (2) implementation; or
7 (3) results;

8 of promotion and research activities to appropriate government
9 officials.

10 Sec. 33. (a) If a person fails to discharge a duty imposed by this
11 chapter other than remitted assessments, the IPPA shall allow the
12 person an opportunity to present comments to the IPPA
13 concerning reasons why the IPPA should not bring legal action
14 against the person.

15 (b) If it is necessary to obtain compliance with this chapter, the
16 IPPA may bring an action against the person in a circuit, superior,
17 or municipal court of any county seeking an injunction mandating
18 compliance and any other appropriate legal remedies.

19 (c) In an action under this section, the IPPA may be granted
20 injunctive relief without establishing the absence of an adequate
21 remedy at law.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture and Rural Development, to which was referred House Bill 1398, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 15-15-12.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 12.5. Soybean Market Development

Sec. 1. (a) The Indiana Soybean Alliance shall serve as the Qualified State Soybean Board for the state of Indiana as provided in 7 CFR 1220.228(a)(1) as long as the ISA collects assessments under the:

(1) Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6301 through 7 U.S.C. 6311); and

(2) Soybean Promotion and Research Order (7 CFR 1220).

(b) The provisions of this chapter, other than subsection (a), apply only if assessments are not levied and collected under the:

(1) Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6301 through 7 U.S.C. 6311); and

(2) Soybean Promotion and Research Order (7 CFR 1220); by the ISA as the Qualified State Soybean Board (as defined in 7 CFR 1220.122).

(c) Except as provided in subsection (d), this chapter applies to all types, varieties, and forms of soybeans marketed or sold as soybeans by a producer in Indiana.

(d) Organic soybean farmers are exempt from this chapter if an organic soybean farmer:

(1) receives an exemption under the National Organic Program (NOP) described in 7 CFR 205; and

(2) operates under an NOP approved organic system plan.

Sec. 2. As used in this chapter, "bushel" means sixty (60) pounds of soybeans by weight.

Sec. 3. As used in this chapter, "Commodity Credit Corporation" refers to the corporation that administers and issues loans under a price support loan program in exchange for soybeans pledged as collateral.

Sec. 4. As used in this chapter, "dean of agriculture" means the dean of agriculture at Purdue University.

Sec. 5. As used in this chapter, "department" refers to the



Indiana state department of agriculture established by IC 15-11-2-1.

Sec. 6. As used in this chapter, "first purchase" means a sale of soybeans at the first point of delivery when the soybeans are:

- (1) weighed;
- (2) graded;
- (3) titled; and
- (4) transferred to the first purchaser.

Sec. 7. As used in this chapter, "first purchaser" means a person who is engaged in Indiana in the business of buying or acquiring soybeans from a producer or the Commodity Credit Corporation.

Sec. 8. As used in this chapter, "Indiana Soybean Alliance" or "ISA" refers to the Indiana Soybean Alliance, Inc., an Indiana nonprofit corporation incorporated in accordance with the laws of the state of Indiana on July 1, 1997.

Sec. 9. As used in this chapter, "market development" means to:

- (1) provide for the development of new or larger domestic and foreign markets for products derived from soybeans; and
- (2) access federal government money available to the state to further the market development activities described in subdivision (1).

Sec. 10. As used in this chapter, "marketing year" means the twelve (12) month period beginning October 1 and ending the following September 30.

Sec. 11. As used in this chapter, "net market price" means the price paid per bushel of soybeans sold after moisture and quality discounts or premiums, but before any deductions for storage, handling, drying, inspection, or other services.

Sec. 12. As used in this chapter, "person" means:

- (1) an individual;
- (2) a partnership;
- (3) a limited liability company;
- (4) a public or private corporation;
- (5) a political subdivision (as defined in IC 36-1-2-13);
- (6) a cooperative;
- (7) a society;
- (8) an association; or
- (9) a fiduciary.

Sec. 13. As used in this chapter, "producer" means a person engaged in the business of producing and marketing soybeans in Indiana under:

- (1) the producer's own name; or



(2) the name of an entity in which the producer has ownership.

Sec. 14. As used in this chapter, "program" means the Indiana soybean marketing program established under section 19 of this chapter.

Sec. 15. As used in this chapter, "promotion" means:

- (1) communication directly with soybean producers, promoters, purchasers, consumers, and stakeholders;**
- (2) technical assistance; and**
- (3) trade marketing activities;**

to enhance the marketing opportunities of soybeans and any product derived from soybeans in domestic and foreign markets.

Sec. 16. As used in this chapter, "research" means a study to advance the:

- (1) marketability;**
- (2) production;**
- (3) product development;**
- (4) quality; or**
- (5) functional or nutritional value;**

of soybeans and any product derived from soybeans, including research activities designed to identify and analyze barriers to domestic and foreign sales of soybeans.

Sec. 17. As used in this chapter, "sale" means:

- (1) a conveyance of title to soybeans; or**
- (2) the pledge or other encumbrance of soybeans as security for a loan extended by the Commodity Credit Corporation under a federal price support loan program.**

Sec. 18. As used in this chapter, "soybeans" includes all types, varieties, and forms of soybeans grown in Indiana and marketed and sold as soybeans by the producer.

Sec. 19. (a) If this chapter applies as described in section 1 of this chapter, then the Indiana soybean marketing program is established. The ISA shall administer the program as required by this chapter.

(b) The ISA consists of twenty-six (26) voting and at least eight (8) ex officio, nonvoting board members. The elected board members from districts listed under section 22 of this chapter must:

- (1) be registered as voters in Indiana;**
- (2) be at least eighteen (18) years of age;**
- (3) be producers;**
- (4) have an assessment on soybeans under section 28 of this**



chapter made during the previous two (2) years; and

(5) not have requested or received a refund of any assessment during the previous two (2) years.

(c) Each elected board member of the ISA must reside in the district identified in section 22 of this chapter from which the board member is elected.

(d) The ISA shall elect a president, a vice president, a secretary, treasurer, and other officers the ISA considers necessary.

(e) A majority of the voting board members of the ISA constitutes a quorum. The affirmative votes of at least a majority of the quorum, and at least fourteen (14) affirmative votes, are required for the ISA to act.

(f) The ISA shall meet at least three (3) times in each marketing year at the call of the president or at the request of two-thirds (2/3) of the board members of the ISA.

(g) Each board member of the ISA who is not a state employee or a member of the general assembly is entitled to reimbursement for mileage, travel expenses, and other expenses actually incurred in connection with the board member's duties in accordance with the ISA's travel policy. Except as provided in section 22 of this chapter, ISA board members are not entitled to a salary or per diem. Reimbursement under this subsection shall be paid from funds of the ISA.

(h) Each board member of the ISA who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the board member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency. Reimbursement under this subsection shall be paid from appropriations made to the department.

Sec. 20. (a) The term of office of an elected or appointed ISA board member is three (3) years. A board member's term of office expires at the board meeting after the final marketing year in the term. However, a board member continues in office until a successor who meets the qualifications set forth in section 19 of this chapter is elected or appointed.

(b) An elected or appointed ISA board member may not hold office for more than three (3) full terms.

(c) Whenever an elected board member's office under section 22(a) of this chapter becomes vacant before the expiration of the board member's term of office, the ISA shall fill the vacancy by



appointing a replacement member who meets the qualifications set forth in section 19 of this chapter. The appointee shall serve for the remainder of the unexpired term.

(d) Whenever the office of a board member appointed under section 22(b), 22(c), 22(d), or 22(e) of this chapter becomes vacant, the appointing authority who appointed the board member shall fill the vacancy. An appointee under this subsection shall serve for the remainder of the unexpired term.

Sec. 21. (a) When necessary, the ISA may appoint individuals who hold offices of importance to the soybean industry or have special expertise concerning the soybean industry to participate in the work of the ISA. These individuals may not participate in votes taken by the ISA but are eligible for reimbursement for traveling expenses in the same manner as ISA board members under section 19(g) of this chapter.

(b) A person appointed under this section serves a term of one (1) year but may be reappointed for additional terms.

Sec. 22. (a) Six (6) ISA board members shall be elected from each of the following districts:

DISTRICT 1. The counties of Benton, Carroll, Cass, Clinton, Elkhart, Fulton, Howard, Jasper, Kosciusko, Lake, LaPorte, Marshall, Miami, Newton, Porter, Pulaski, St. Joseph, Starke, Tipton, Wabash, and White.

DISTRICT 2. The counties of Adams, Allen, Blackford, DeKalb, Delaware, Grant, Henry, Huntington, Jay, LaGrange, Madison, Noble, Randolph, Steuben, Wayne, Wells, and Whitley.

DISTRICT 3. The counties of Clay, Daviess, Dubois, Fountain, Gibson, Greene, Knox, Martin, Montgomery, Owen, Parke, Pike, Posey, Putnam, Spencer, Sullivan, Tippecanoe, Vanderburgh, Vermillion, Vigo, Warren, and Warrick.

DISTRICT 4. The counties of Bartholomew, Boone, Brown, Clark, Crawford, Dearborn, Decatur, Fayette, Floyd, Franklin, Hamilton, Hancock, Harrison, Hendricks, Jackson, Jefferson, Jennings, Johnson, Lawrence, Marion, Monroe, Morgan, Ohio, Orange, Perry, Ripley, Rush, Scott, Shelby, Switzerland, Union, and Washington.

(b) The dean of agriculture shall appoint one (1) representative of the largest general farm organization in Indiana, who must be a producer, to serve as a board member of the ISA.

(c) The dean of agriculture shall appoint one (1) representative



of any agricultural membership organization in Indiana, who must be a producer, to serve as a board member of the ISA. The representative appointed in accordance with this subsection must represent a different organization than the representative appointed in accordance with subsection (b).

(d) The director shall appoint two (2) representatives of first purchaser organizations to serve as nonvoting ISA board members.

(e) Four (4) board members serve on the ISA, to be appointed as nonvoting board members as follows:

(1) One (1) board member appointed by the president pro tempore of the senate.

(2) One (1) board member appointed by the minority leader of the senate.

(3) One (1) board member appointed by the speaker of the house of representatives.

(4) One (1) board member appointed by the minority leader of the house of representatives.

The board members appointed under this subsection are ex officio nonvoting board members of the ISA. The members of the senate must be of different political parties. The members of the house of representatives must be of different political parties. Each ex officio board member of the ISA who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the legislative council. Per diem, mileage, and travel allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(f) The dean of agriculture or the dean's designee shall serve as an ex officio, nonvoting ISA board member.

(g) The secretary of agriculture or the secretary's designee shall serve as an ex officio, nonvoting ISA board member.

Sec. 23. (a) An election of an ISA board member shall be held in a district in the year in which the term of the district's ISA board member is to expire.

(b) The ISA shall provide notice to producers of the district of the impending election by:

(1) publishing one (1) or more notices in a statewide agricultural publication; and

(2) making information available to the news media in the district;

four (4) months before the day of the election.



Sec. 24. (a) The ballot for the election of a district ISA board member must include the name of each producer who:

- (1) meets the qualifications set forth in section 19 of this chapter; and
- (2) files with the ISA a petition in support of candidacy signed by ten (10) other producers who reside in the district.
- (b) The ISA shall provide petition forms upon request and shall make petition forms available via the ISA's website. All names on the ballot must be listed in alphabetical order based on the producer's surname.
- (c) The ISA shall allow a producer to request a ballot through the ISA's website.
- (d) Each ballot submitted by a producer must contain an attestation that the person is an eligible producer.

Sec. 25. The director shall appoint a third party person that shall count all ballots and conduct other activities expressly delegated to it by the director.

Sec. 26. The election of an ISA board member must be conducted by the ISA in a manner designated by the ISA and set forth in the notices required under section 23 of this chapter. The winner of an election takes office at the first meeting after the end of the marketing year.

Sec. 27. The ISA shall do the following:

- (1) Employ personnel and contract for services that are necessary for the proper implementation of this chapter.
- (2) Bond the ISA treasurer and such other persons as necessary to ensure adequate protection of funds received and administered by the ISA.
- (3) Authorize the expenditure of funds and the contracting of expenditures to conduct proper activities under this chapter.
- (4) Annually establish priorities and prepare and approve a budget consistent with the estimated resources of the ISA and the scope of this chapter.
- (5) Annually provide:
 - (A) an activities report to the legislative council in an electronic format under IC 5-14-6; and
 - (B) an independent audit report to the state board of accounts.
- (6) Procure and evaluate data and information necessary for the proper implementation of this chapter.
- (7) Formulate and execute assessment procedures and methods of collection.



- (8) Receive and investigate complaints and violations of this chapter.**
- (9) Take necessary enforcement action against individuals who violate this chapter.**
- (10) Maintain bylaws and operating procedures governing operations of the ISA and the administration of funds collected under this chapter.**
- (11) Keep accurate accounts of all receipts and disbursements of funds handled by the ISA and have the receipts and disbursements audited annually by a certified public accountant.**
- (12) Take any other action necessary for the proper implementation of this chapter.**
- (13) Comply with the requirements under IC 5-14-1.5.**

Sec. 28. (a) First purchasers shall collect an assessment equal to one-half of one percent (0.5%) of the net market price on all soybeans sold in Indiana and remit to the ISA all assessments collected under this section in the manner prescribed by subsection (f).

- (b) The first purchaser may only impose and collect an assessment on a quantity of soybeans once.**
- (c) Only the general assembly may change the rate of the assessment imposed by this section.**
- (d) The first purchaser of a quantity of soybeans shall deduct the assessment on the soybeans from the money to be paid to the producer based on the sale of the soybeans. A first purchaser shall accumulate assessments collected under this section throughout each of the following periods:**

- (1) January, February, and March.**
- (2) April, May, and June.**
- (3) July, August, and September.**
- (4) October, November, and December.**

(e) Within thirty (30) days after the end of each period, the first purchaser shall remit to the ISA all assessments collected during the period. A first purchaser who remits all assessments collected during a period within thirty (30) days after the end of the period is entitled to retain three percent (3%) of the total of the assessments as a handling fee.

(f) The assessment on the sale of the soybeans must occur at the time of first purchase as the payment for the soybeans is received by the producer.

Sec. 29. (a) The ISA shall pay all expenses incurred under this



chapter with money from the assessments remitted to the ISA under this chapter.

(b) The ISA may invest all money the ISA receives under this chapter, including gifts or grants that are given for the express purpose of implementing this chapter, in the same way allowed by law for public funds.

(c) The ISA may expend money from assessments and from investment income not needed for expenses for market development, promotion, and research.

(d) The ISA may not use money received, collected, or accrued under this chapter for any purpose other than the purposes authorized by this chapter. The amount of money expended on administering this chapter in the ISA's fiscal year may not exceed ten percent (10%) of the average amount of assessments, grants, and gifts received by the ISA as calculated under subsection (e).

(e) The ISA shall determine the amount that it may expend to administer this chapter using the following formula:

STEP ONE: Determine the amount of assessments, grants, and gifts received by the ISA in each of the preceding five (5) fiscal years beginning with the immediately preceding fiscal year.

STEP TWO: Determine the average annual amount of assessments, grants, and gifts received by the ISA in each fiscal year using three (3) of the five (5) fiscal years described in STEP ONE after excluding the two (2) years in which the amount of assessments, grants, and gifts received by the ISA were the highest and lowest totals.

STEP THREE: Divide the amount in STEP TWO by ten (10). The amount in STEP THREE is the maximum amount that the ISA may expend on administering this chapter for the current fiscal year.

(f) When the board members of the ISA evaluate and approve expenditures, ISA board members shall:

**(1) emphasize programs that create opportunities and value for Indiana soybean farmers and their operations; and
(2) prioritize collaborative projects with universities, states, and organizations that have:**

- (A) a regional;**
- (B) a national; or**
- (C) an international; impact.**

(g) The ISA shall use at least fifty percent (50%) of the funds



collected from the assessment under subsection (a) for approved expenditures that meet the criteria set forth in subsection (f)(2).

Sec. 30. (a) Assessments collected by the ISA under the program are subject to refund requests by a producer if the producer requests a refund pursuant to the procedure established by the ISA.

(b) A producer's application for a refund under this section must be made to the ISA not more than one hundred eighty (180) days after the state assessment is deducted from the sale price of the producer's soybeans.

(c) If a refund is due under this section, the ISA shall remit the refund to the producer not later than thirty (30) days after the date the producer's completed application and proof of assessment are received.

Sec. 31. (a) A first purchaser shall keep detailed records of all assessments collected and remitted under this chapter for at least three (3) years.

(b) Upon request, a first purchaser shall supply the ISA with any information from records kept under subsection (a).

(c) The ISA may periodically audit a first purchaser's checkoff assessment and remittance records kept under subsection (a). An audit must be conducted by:

- (1) a qualified public accountant of the ISA's choosing; or**
- (2) an auditor who is familiar with the:**

- (A) storage;**
- (B) conditioning;**
- (C) shipping; and**
- (D) handling;**

of agricultural commodities.

The costs of the audit shall be paid by the ISA.

Sec. 32. (a) If a first purchaser fails to remit the assessments collected during a period specified in section 28 of this chapter within thirty (30) days after the end of the period, the ISA shall contact the first purchaser and allow the first purchaser to present comments to the ISA concerning:

- (1) the status and amount of the assessments due; and**
- (2) reasons why the ISA should not bring legal action against the first purchaser.**

(b) After allowing a first purchaser the opportunity to present comments, the ISA:

- (1) may adjust the amount of the assessments due, if the first purchaser's comments reveal that the ISA's figure is**



inaccurate;

(2) may assess a penalty against the first purchaser;

(3) shall:

(A) assess a fee for an unpaid assessment due the ISA, from a person responsible for remitting assessments, at the rate of two percent (2%) of the amount of the unpaid assessment each month, beginning with the day following the date the assessment is due under this subsection; and

(B) if there is any remaining amount due after the assessment of the fee under clause (A), assess a fee at the same rate on the corresponding day of each month thereafter until the entire amount of the unpaid assessment is paid;

(4) shall compute the amounts payable on unpaid assessments under this section monthly and include any unpaid late charges previously applied under this section; and

(5) shall determine the date of a payment for purposes of this subsection by the postmark applied to the remitting envelope or the date of the missed assessment.

(c) If a first purchaser fails to remit assessments after being allowed to present comments under subsection (a) or to pay any penalty assessed under subsection (b), the ISA may bring a civil action against the first purchaser in a circuit, superior, or municipal court of any county. The action shall be tried and a judgment rendered as in any other proceeding for the collection of a debt. In an action under this subsection, the ISA may obtain:

(1) a judgment in the amount of all unremitted assessments and any unpaid penalty; and

(2) an award of the costs of bringing the action.

Sec. 33. (a) Proceeds of the checkoff assessment collected by the ISA under this chapter may not be used to influence legislation or governmental action or policy.

(b) Proceeds of the assessment collected under this chapter may be used to communicate information related to the:

(1) conduct;

(2) implementation; or

(3) results;

of promotion, research, and market development activities to appropriate government officials.

Sec. 34. (a) If a person fails to discharge a duty imposed by this chapter other than remitted assessments, the ISA shall allow the person an opportunity to present comments to the ISA concerning



reasons why the ISA should not bring legal action against the person.

(b) If it is necessary to obtain compliance with this chapter, the ISA may bring an action against the person in a circuit, superior, or municipal court of any county seeking an injunction mandating compliance and any other appropriate legal remedies.

(c) In an action under this section, the ISA may be granted injunctive relief without establishing the absence of an adequate remedy at law.".

Page 2, line 23, delete "non-profit" and insert "**nonprofit**".

Page 2, line 26, delete "non-profit" and insert "**nonprofit**".

Page 2, line 30, delete "non-profit" and insert "**nonprofit**".

Page 9, between lines 8 and 9, begin a new paragraph and insert:

"(e) The IPPA shall use eighty percent (80%) of the assessment funds collected under section 27 of this chapter to carry out the functions of the National Pork Board that is no longer operating.".

Renumber all **SECTIONS** consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1398 as introduced.)

AYLESWORTH

Committee Vote: yeas 11, nays 0.

