

# PROPOSED AMENDMENT

## HB 1398 # 3

### DIGEST

Soybean market development. Creates the soybean market development program (program). Specifies that the program only applies if assessments are not levied and collected under federal law. Requires the Indiana Soybean Alliance to administer the program. Establishes various procedures and requirements for operating the program. Makes a technical correction.

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- 1       Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3       "SECTION 1. IC 15-15-12.5 IS ADDED TO THE INDIANA CODE  
4 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2026]:  
6       **Chapter 12.5. Soybean Market Development**  
7       **Sec. 1. (a) The Indiana Soybean Alliance shall serve as the**  
8 **Qualified State Soybean Board for the state of Indiana as provided**  
9 **in 7 CFR 1220.228(a)(1) as long as the ISA collects assessments**  
10 **under the:**  
11       **(1) Soybean Promotion, Research, and Consumer Information**  
12 **Act (7 U.S.C. 6301 through 7 U.S.C. 6311); and**  
13       **(2) Soybean Promotion and Research Order (7 CFR 1220).**  
14       **(b) The provisions of this chapter, other than subsection (a),**  
15 **apply only if assessments are not levied and collected under the:**  
16       **(1) Soybean Promotion, Research, and Consumer Information**  
17 **Act (7 U.S.C. 6301 through 7 U.S.C. 6311); and**  
18       **(2) Soybean Promotion and Research Order (7 CFR 1220);**  
19 **by the ISA as the Qualified State Soybean Board (as defined in 7**  
20 **CFR 1220.122).**  
21       **(c) Except as provided in subsection (d), this chapter applies to**  
22 **all types, varieties, and forms of soybeans marketed or sold as**  
23 **soybeans by a producer in Indiana.**  
24       **(d) Organic soybean farmers are exempt from this chapter if an**  
25 **organic soybean farmer:**  
26       **(1) receives an exemption under the National Organic**

1           Program (NOP) described in 7 CFR 205; and

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

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

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

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

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

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

16           (1) weighed;

17           (2) graded;

18           (3) titled; and

19           (4) transferred to the first purchaser.

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

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

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

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

30           (2) access federal government money available to the state to  
31 further the market development activities described in  
32 subdivision (1).

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

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

40           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.

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

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

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

12               **(1) be registered as voters in Indiana;**

13               **(2) be at least eighteen (18) years of age;**

14               **(3) be producers;**

15               **(4) have an assessment on soybeans under section 28 of this**  
16               **chapter made during the previous two (2) years; and**

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

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

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

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

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

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

39       **(h) Each board member of the ISA who is a state employee is**  
40       **entitled to reimbursement for traveling expenses as provided under**

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

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

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

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

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

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

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

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

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

1 officio board member of the ISA who is a member of the general  
 2 assembly is entitled to receive the same per diem, mileage, and  
 3 travel allowances paid to legislative members of interim study  
 4 committees established by the legislative council. Per diem,  
 5 mileage, and travel allowances paid under this subsection shall be  
 6 paid from appropriations made to the legislative council or the  
 7 legislative services agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 Sec. 26. The election of an ISA board member must be  
 40 conducted by the ISA in a manner designated by the ISA and set

1 forth in the notices required under section 23 of this chapter. The  
 2 winner of an election takes office at the first meeting after the end  
 3 of the marketing year.

4 **Sec. 27. The ISA shall do the following:**

5 (1) Employ personnel and contract for services that are  
 6 necessary for the proper implementation of this chapter.

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

10 (3) Authorize the expenditure of funds and the contracting of  
 11 expenditures to conduct proper activities under this chapter.

12 (4) Annually establish priorities and prepare and approve a  
 13 budget consistent with the estimated resources of the ISA and  
 14 the scope of this chapter.

15 (5) Annually provide:

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

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

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

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

24 (8) Receive and investigate complaints and violations of this  
 25 chapter.

26 (9) Take necessary enforcement action against individuals  
 27 who violate this chapter.

28 (10) Maintain bylaws and operating procedures governing  
 29 operations of the ISA and the administration of funds  
 30 collected under this chapter.

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

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

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

38 **Sec. 28. (a) First purchasers shall collect an assessment equal to**  
 39 **one-half of one percent (0.5%) of the net market price on all**  
 40 **soybeans sold in Indiana and remit to the ISA all assessments**



1 collected under this section in the manner prescribed by subsection  
2 (f).

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

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

7 (d) The first purchaser of a quantity of soybeans shall deduct  
8 the assessment on the soybeans from the money to be paid to the  
9 producer based on the sale of the soybeans. A first purchaser shall  
10 accumulate assessments collected under this section throughout  
11 each of the following periods:

12 (1) January, February, and March.

13 (2) April, May, and June.

14 (3) July, August, and September.

15 (4) October, November, and December.

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

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

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

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

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

35 (d) The ISA may not use money received, collected, or accrued  
36 under this chapter for any purpose other than the purposes  
37 authorized by this chapter. The amount of money expended on  
38 administering this chapter in the ISA's fiscal year may not exceed  
39 ten percent (10%) of the average amount of assessments, grants,  
40 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

1 received.

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

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

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

- 10       **(1) a qualified public accountant of the ISA's choosing; or**  
 11       **(2) an auditor who is familiar with the:**  
 12           **(A) storage;**  
 13           **(B) conditioning;**  
 14           **(C) shipping; and**  
 15           **(D) handling;**  
 16       **of agricultural commodities.**

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

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

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

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

- 28       **(1) may adjust the amount of the assessments due, if the first**  
 29 **purchaser's comments reveal that the ISA's figure is**  
 30 **inaccurate;**  
 31       **(2) may assess a penalty against the first purchaser;**  
 32       **(3) shall:**  
 33           **(A) assess a fee for an unpaid assessment due the ISA, from**  
 34 **a person responsible for remitting assessments, at the rate**  
 35 **of two percent (2%) of the amount of the unpaid**  
 36 **assessment each month, beginning with the day following**  
 37 **the date the assessment is due under this subsection; and**  
 38           **(B) if there is any remaining amount due after the**  
 39 **assessment of the fee under clause (A), assess a fee at the**  
 40 **same rate on the corresponding day of each month**

- 1           thereafter until the entire amount of the unpaid assessment  
2           is paid;
- 3           (4) shall compute the amounts payable on unpaid assessments  
4           under this section monthly and include any unpaid late  
5           charges previously applied under this section; and
- 6           (5) shall determine the date of a payment for purposes of this  
7           subsection by the postmark applied to the remitting envelope  
8           or the date of the missed assessment.
- 9           (c) If a first purchaser fails to remit assessments after being  
10          allowed to present comments under subsection (a) or to pay any  
11          penalty assessed under subsection (b), the ISA may bring a civil  
12          action against the first purchaser in a circuit, superior, or  
13          municipal court of any county. The action shall be tried and a  
14          judgment rendered as in any other proceeding for the collection of  
15          a debt. In an action under this subsection, the ISA may obtain:
- 16               (1) a judgment in the amount of all unremitted assessments  
17               and any unpaid penalty; and
- 18               (2) an award of the costs of bringing the action.
- 19          Sec. 33. (a) Proceeds of the checkoff assessment collected by the  
20          ISA under this chapter may not be used to influence legislation or  
21          governmental action or policy.
- 22          (b) Proceeds of the assessment collected under this chapter may  
23          be used to communicate information related to the:
- 24               (1) conduct;
- 25               (2) implementation; or
- 26               (3) results;
- 27          of promotion, research, and market development activities to  
28          appropriate government officials.
- 29          Sec. 34. (a) If a person fails to discharge a duty imposed by this  
30          chapter other than remitted assessments, the ISA shall allow the  
31          person an opportunity to present comments to the ISA concerning  
32          reasons why the ISA should not bring legal action against the  
33          person.
- 34          (b) If it is necessary to obtain compliance with this chapter, the  
35          ISA may bring an action against the person in a circuit, superior,  
36          or municipal court of any county seeking an injunction mandating  
37          compliance and any other appropriate legal remedies.
- 38          (c) In an action under this section, the ISA may be granted  
39          injunctive relief without establishing the absence of an adequate  
40          remedy at law."

- 1 Page 2, line 23, delete "non-profit" and insert "**nonprofit**".
- 2 Page 2, line 26, delete "non-profit" and insert "**nonprofit**".
- 3 Page 2, line 30, delete "non-profit" and insert "**nonprofit**".
- 4 Renumber all SECTIONS consecutively.  
(Reference is to HB 1398 as introduced.)