



Adopted

Rejected

## COMMITTEE REPORT

YES: 11  
NO: 0

### 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:

- 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:**

(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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (c) Whenever an elected board member's office under section  
33 22(a) of this chapter becomes vacant before the expiration of the  
34 board member's term of office, the ISA shall fill the vacancy by  
35 appointing a replacement member who meets the qualifications set  
36 forth in section 19 of this chapter. The appointee shall serve for the  
37 remainder of the unexpired term.

38 (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

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

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

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

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

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

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

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

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

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

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

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

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

38 (1) publishing one (1) or more notices in a statewide

1 agricultural publication; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (4) Annually establish priorities and prepare and approve a  
36 budget consistent with the estimated resources of the ISA and  
37 the scope of this chapter.

38 (5) Annually provide:



- 1           (A) an activities report to the legislative council in an
- 2           electronic format under IC 5-14-6; and
- 3           (B) an independent audit report to the state board of
- 4           accounts.
- 5           (6) Procure and evaluate data and information necessary for
- 6           the proper implementation of this chapter.
- 7           (7) Formulate and execute assessment procedures and
- 8           methods of collection.
- 9           (8) Receive and investigate complaints and violations of this
- 10          chapter.
- 11          (9) Take necessary enforcement action against individuals
- 12          who violate this chapter.
- 13          (10) Maintain bylaws and operating procedures governing
- 14          operations of the ISA and the administration of funds
- 15          collected under this chapter.
- 16          (11) Keep accurate accounts of all receipts and disbursements
- 17          of funds handled by the ISA and have the receipts and
- 18          disbursements audited annually by a certified public
- 19          accountant.
- 20          (12) Take any other action necessary for the proper
- 21          implementation of this chapter.
- 22          (13) Comply with the requirements under IC 5-14-1.5.
- 23          Sec. 28. (a) First purchasers shall collect an assessment equal to
- 24          one-half of one percent (0.5%) of the net market price on all
- 25          soybeans sold in Indiana and remit to the ISA all assessments
- 26          collected under this section in the manner prescribed by subsection
- 27          (f).
- 28          (b) The first purchaser may only impose and collect an
- 29          assessment on a quantity of soybeans once.
- 30          (c) Only the general assembly may change the rate of the
- 31          assessment imposed by this section.
- 32          (d) The first purchaser of a quantity of soybeans shall deduct
- 33          the assessment on the soybeans from the money to be paid to the
- 34          producer based on the sale of the soybeans. A first purchaser shall
- 35          accumulate assessments collected under this section throughout
- 36          each of the following periods:
- 37                  (1) January, February, and March.
- 38                  (2) April, May, and June.

1           (3) July, August, and September.

2           (4) October, November, and December.

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

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

12          Sec. 29. (a) The ISA shall pay all expenses incurred under this  
13 chapter with money from the assessments remitted to the ISA  
14 under this chapter.

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

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

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

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

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

34           STEP TWO: Determine the average annual amount of  
35 assessments, grants, and gifts received by the ISA in each  
36 fiscal year using three (3) of the five (5) fiscal years described  
37 in STEP ONE after excluding the two (2) years in which the  
38 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

- 1        **funds collected under section 27 of this chapter to carry out the**
- 2        **functions of the National Pork Board that is no longer operating."**
- 3        Renumber all SECTIONS consecutively.  
          (Reference is to HB 1398 as introduced.)

**and when so amended that said bill do pass.**

**Representative Aylesworth**