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HOUSE BILL No. 1398

Proposed Changes to introduced printing by AM139801

DIGEST OF PROPOSED AMENDMENT

Pork assessment. Requires the Indiana Pork Producers Association, Inc. to spend 80% of collected assessment funds on functions formerly carried out by the National Pork Board.

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 15-19-8 IS ADDED TO THE INDIANA CODE
- 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2026]:
- 4 **Chapter 8. Indiana Pork Market Development**
- 5 **Sec. 1. (a) This chapter applies only if all assessment collection**
- 6 **programs and checkoff programs are not operated under the:**
- 7 **(1) Pork Promotion, Research, and Consumer Information**
- 8 **Act (7 U.S.C. 4801 through 7 U.S.C. 4819); and**
- 9 **(2) Pork Promotion and Research Order (7 CFR 1230);**
- 10 **by the IPPA.**
- 11 **(b) If the assessments described under subsection (a) are**
- 12 **levied, the IPPA may not:**
- 13 **(1) collect assessments; or**
- 14 **(2) conduct any other activity that is expressly preempted by**
- 15 **a program described in subsection (a).**
- 16 **(c) Except as provided in subsection (d), this chapter applies**
- 17 **to all types, varieties, and forms of pork marketed or sold as pork**
- 18 **by a producer in Indiana.**
- 19 **(d) Organic hog farmers are exempt from this chapter if an**
- 20 **organic hog farmer:**

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(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 non-profit 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 non-profit 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 non-profit 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;

of a porcine animal in commerce.

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

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

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



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

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

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

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, "porcine animal" means a swine that is raised as a:

- (1) feeder pig that is a young pig sold to another person to be finished for slaughtering over a period of more than one (1) month;
- (2) seedstock pig for breeding purposes and included in the breeding herd; or
- (3) market hog, slaughtered by the producer or sold to be slaughtered, usually within one (1) month of the transfer.

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

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

- (1) produced; or
- (2) processed;

in whole or in part from pork.

Sec. 16. As used in this chapter, "producer" means a person engaged in the business of farming and marketing hogs in Indiana under:

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



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

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

4 (1) communication directly with pork producers, promoters,
 5 purchasers, consumers, and stakeholders;

6 (2) technical assistance; and

7 (3) trade marketing activities;

8 **to enhance the marketing opportunities of pork and any product**
 9 **containing pork in domestic and foreign markets and increase**
 10 **access to federal government money available for Indiana pork**
 11 **producers.**

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

14 (1) weighed;

15 (2) graded;

16 (3) titled; and

17 (4) transferred to the purchaser.

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

20 (1) marketability;

21 (2) production;

22 (3) product development;

23 (4) quality; or

24 (5) functional or nutritional value;

25 **of pork and any product derived from pork, including research**
 26 **activities designed to identify and analyze barriers to domestic and**
 27 **foreign sales of pork.**

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

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

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

34 **(b) The board of directors consists of the following voting**
 35 **board members:**

36 (1) At least three (3) and no more than twelve (12) at large
 37 members, each of which are voting members of the IPPA, as
 38 follows:

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

40 (B) No more than two (2) at-large members may
 41 represent any one (1) county within Indiana.

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



- 1 date of the member's election.
 2 (D) Each may not serve more than three (3) consecutive
 3 terms.
 4 (2) At least (1) but no more than three (3) affiliated industry
 5 members, as follows:
 6 (A) Each elected by the voting members of the IPPA.
 7 (B) Each of which represents an industry reasonably
 8 affiliated with the pork industry.
 9 (C) Each may serve for a term of two (2) years from the
 10 date of the member's election.
 11 (D) Each may not serve more than three (3) consecutive
 12 terms.
 13 (3) The director of the National Pork Board, who serves as
 14 an ex officio member.
 15 (4) The director of the National Pork Producers Council,
 16 who serves as an ex officio member.
 17 (5) One (1) member of the board of directors of the IPPA
 18 appointed by the dean of agriculture at Purdue University,
 19 whose term expires if the dean appoints a replacement.
 20 (6) One (1) member of the board of directors of the IPPA
 21 appointed by the director of INPAC, whose term expires if
 22 the INPAC director appoints a replacement.
 23 (7) One (1) member who is the preceding president of the
 24 IPPA, whose term as a member of the board of directors
 25 expires when the current president's term concludes.
 26 (8) The executive director of the IPPA, who serves as an ex
 27 officio member.
 28 (9) One (1) appointee of the chief executive officer of the
 29 Indiana Soybean Alliance, whose term as a member of the
 30 board of directors expires if the chief executive officer of the
 31 Indiana Soybean Alliance appoints a replacement.
 32 (c) In addition to the requirements under subsection (b), a
 33 member of the board of directors must meet the following criteria:
 34 (1) Be a registered voter in Indiana.
 35 (2) Be at least eighteen (18) years of age.
 36 (3) Be a producer.
 37 (d) The IPPA shall elect a president, vice president, secretary,
 38 treasurer, and any other officers deemed necessary by the board
 39 of directors.
 40 (e) One-third (1/3) of the members of the board of directors
 41 constitutes a quorum. An affirmative vote of at least a majority of
 42 the quorum is required for the board of directors to act.



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

(1) at the call of the president; or

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

(g) Each member of the board of directors 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 IPPA's travel policy. Except as provided subsection (h) of this chapter, the members of the board of directors are not entitled to a salary or per diem as consideration for their service as a member of the board of directors. Reimbursements under this subsection must be paid from funds of the IPPA.

(h) Each member of the board of directors 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 member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency. Reimbursements under this subsection must be paid from appropriations made to the legislative council or the legislative services agency.

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

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

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

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

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

(2) has special expertise concerning the pork industry;

to participate in the work of the IPPA.

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



chapter.

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

Sec. 25. The IPPA shall do the following:

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

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

(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 IPPA 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 an individual who violates this chapter.

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

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

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

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

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

(1) Raises and sells a porcine animal as a feeder pig.

(2) Raises and sells a porcine animal for slaughter.

(3) Raises a porcine animal, slaughters the porcine animal,



and sells the pork.

(4) Raises a porcine animal for breeding stock.

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

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

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

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

(d) The first purchaser of a porcine animal or a pork product shall deduct the assessment on the porcine animal or pork product from the money to be paid to the producer or importer based on the sale of the porcine animal or pork product. 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) Not more than thirty (30) days after the end of each period, the first purchaser shall remit to the IPPA all assessments collected during the period in a manner prescribed by the IPPA.

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

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

(b) The IPPA may invest all money the IPPA 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 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 collected during a period specified in section 29 of this chapter not more than thirty (30) days after the end of the period, the IPPA shall contact the first purchaser and allow the first purchaser to present comments to the IPPA concerning:



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

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

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

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

- (3) shall:

(A) assess a fee for an unpaid assessment due to the IPPA 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 date Automated Clearing House (ACH) transfer is originated.

(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 IPPA may bring a civil action against the first purchaser in a circuit, superior, or municipal court of any county. The action must be tried and a judgment rendered as in any other proceeding for the collection of a debt. In an action under this subsection, the IPPA 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. 32. (a) The IPPA may not use proceeds of the assessment collected under this chapter to influence legislation or governmental action or policy.



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

(1) conduct;

(2) implementation; or

(3) results;

of promotion and research activities to appropriate government officials.

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

(b) If it is necessary to obtain compliance with this chapter, the IPPA 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 IPPA may be granted injunctive relief without establishing the absence of an adequate remedy at law.

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