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HOUSE BILL No. 1398

Proposed Changes to introduced printing by AM139803

DIGEST OF PROPOSED AMENDMENT

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.

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~~IC 15-15-12.5 IS ADDED TO THE
2 INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS
3 [EFFECTIVE 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
10 Information 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
15 Information 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
18 CFR 1220.122).

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

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

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

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

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

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

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

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

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

22 (1) weighed;

23 (2) graded;

24 (3) titled; and

25 (4) transferred to the first purchaser.

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

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

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

42 Sec. 10. As used in this chapter, "marketing year" means the



1 twelve (12) month period beginning October 1 and ending the
 2 following September 30.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

37 (g) Each board member of the ISA who is not a state employee
 38 or a member of the general assembly is entitled to reimbursement
 39 for mileage, travel expenses, and other expenses actually incurred
 40 in connection with the board member's duties in accordance with
 41 the ISA's travel policy. Except as provided in section 22 of this
 42 chapter, ISA board members are not entitled to a salary or per



1 diem. Reimbursement under this subsection shall be paid from
 2 funds of the ISA.

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

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

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

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

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

30 Sec. 21. (a) When necessary, the ISA may appoint individuals
 31 who hold offices of importance to the soybean industry or have
 32 special expertise concerning the soybean industry to participate in
 33 the work of the ISA. These individuals may not participate in votes
 34 taken by the ISA but are eligible for reimbursement for traveling
 35 expenses in the same manner as ISA board members under section
 36 19(g) of this chapter.

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

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

41 DISTRICT 1. The counties of Benton, Carroll, Cass, Clinton,
 42 Elkhart, Fulton, Howard, Jasper, Kosciusko, Lake, LaPorte,



1 Marshall, Miami, Newton, Porter, Pulaski, St. Joseph,
 2 Starke, Tipton, Wabash, and White.

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

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

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

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

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

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

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

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

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

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

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

39 The board members appointed under this subsection are ex officio
 40 nonvoting board members of the ISA. The members of the senate
 41 must be of different political parties. The members of the house of
 42 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
 9 as an ex officio, nonvoting ISA board member.

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

12 Sec. 23. (a) An election of an ISA board member shall be held
 13 in a district in the year in which the term of the district's ISA
 14 board 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
 27 signed by ten (10) other producers who reside in the district.

28 (b) The ISA shall provide petition forms upon request and
 29 shall make petition forms available via the ISA's website. All
 30 names on the ballot must be listed in alphabetical order based on
 31 the 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
 41 forth in the notices required under section 23 of this chapter. The
 42 winner of an election takes office at the first meeting after the end



1 of the marketing year.

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

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

4 necessary for the proper implementation of this chapter.

5 (2) Bond the ISA treasurer and such other persons as

6 necessary to ensure adequate protection of funds received

7 and administered by the ISA.

8 (3) Authorize the expenditure of funds and the contracting of

9 expenditures to conduct proper activities under this chapter.

10 (4) Annually establish priorities and prepare and approve a

11 budget consistent with the estimated resources of the ISA

12 and the scope of this chapter.

13 (5) Annually provide:

14 (A) an activities report to the legislative council in an

15 electronic format under IC 5-14-6; and

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

17 accounts.

18 (6) Procure and evaluate data and information necessary for

19 the proper implementation of this chapter.

20 (7) Formulate and execute assessment procedures and

21 methods of collection.

22 (8) Receive and investigate complaints and violations of this

23 chapter.

24 (9) Take necessary enforcement action against individuals

25 who violate this chapter.

26 (10) Maintain bylaws and operating procedures governing

27 operations of the ISA and the administration of funds

28 collected under this chapter.

29 (11) Keep accurate accounts of all receipts and

30 disbursements of funds handled by the ISA and have the

31 receipts and disbursements audited annually by a certified

32 public accountant.

33 (12) Take any other action necessary for the proper

34 implementation of this chapter.

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

36 Sec. 28. (a) First purchasers shall collect an assessment equal

37 to one-half of one percent (0.5%) of the net market price on all

38 soybeans sold in Indiana and remit to the ISA all assessments

39 collected under this section in the manner prescribed by subsection

40 (f).

41 (b) The first purchaser may only impose and collect an

42 assessment on a quantity of soybeans once.



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

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

8 (1) January, February, and March.

9 (2) April, May, and June.

10 (3) July, August, and September.

11 (4) October, November, and December.

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

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

21 Sec. 29. (a) The ISA shall pay all expenses incurred under this
 22 chapter with money from the assessments remitted to the ISA
 23 under this chapter.

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

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

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

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

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



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

7 STEP THREE: Divide the amount in STEP TWO by ten
 8 (10).

9 The amount in STEP THREE is the maximum amount that the ISA
 10 may expend on administering this chapter for the current fiscal
 11 year.

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

14 (1) emphasize programs that create opportunities and value
 15 for Indiana soybean farmers and their operations; and

16 (2) prioritize collaborative projects with universities, states,
 17 and organizations that have:

18 (A) a regional;

19 (B) a national; or

20 (C) an international;

21 impact.

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

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

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

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

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

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

42 (c) The ISA may periodically audit a first purchaser's checkoff



1 assessment and remittance records kept under subsection (a). An
 2 audit must be conducted by:

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

5 (A) storage;
 6 (B) conditioning;
 7 (C) shipping; and
 8 (D) handling;

9 of agricultural commodities.

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

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

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

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

21 (1) may adjust the amount of the assessments due, if the first
 22 purchaser's comments reveal that the ISA's figure is
 23 inaccurate;

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

25 (3) shall:

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

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

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

41 (5) shall determine the date of a payment for purposes of this
 42 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.

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

Chapter 8. Indiana Pork Market Development

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

(1) Pork Promotion, Research, and Consumer Information Act (7 U.S.C. 4801 through 7 U.S.C. 4819); and

(2) Pork Promotion and Research Order (7 CFR 1230);

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18. *U.S. Constitution*, Article IV, Section 1.

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1 by the IPPA.

2 (b) If the assessments described under subsection (a) are
 3 levied, the IPPA may not:

4 (1) collect assessments; or

5 (2) conduct any other activity that is expressly preempted by
 6 a program described in subsection (a).

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

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

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

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

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

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

19 (1) A person that buys or is engaged in the business of
 20 receiving a porcine animal as a commission merchant.

21 (2) A person that buys or is engaged in the business of
 22 receiving a porcine animal at an auction market.

23 (3) A person that buys or is engaged in the business of
 24 receiving a porcine animal at a livestock market.

25 (4) A producer that raises a porcine animal, slaughters the
 26 porcine animal, and sells the pork.

27 (5) A person in the business of purchasing a porcine animal
 28 on behalf of a producer.

29 Sec. 4. As used in this chapter, "Indiana Pork Advocacy
 30 Coalition" or "INPAC" refers to the Indiana Pork Advocacy
 31 Coalition, Inc., an Indiana non↔profit corporation organized
 32 under the laws of the State of Indiana on October 12, 2001.

33 Sec. 5. As used in this chapter, "IPPA" refers to the Indiana
 34 Pork Producers Association, Inc., an Indiana non↔profit
 35 corporation incorporated under the laws of the State of Indiana on
 36 February 13, 1952.

37 Sec. 6. As used in this chapter, "Indiana Soybean Alliance"
 38 refers to the Indiana Soybean Alliance, Inc., an Indiana
 39 non↔profit corporation incorporated under the laws of the State
 40 of Indiana on July 1, 1997.

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



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

2 (1) the sale;
 3 (2) the slaughter for sale; or
 4 (3) any other method of disposal;

5 **of a porcine animal in commerce.**

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

8 (1) If a porcine animal is slaughtered for sale by a producer,
 9 the most recent annual seven-market average for barrows
 10 and gilts, as published by the USDA.
 11 (2) If a porcine animal is imported, the declared value.
 12 (3) If a pork product is imported, an amount that represents
 13 the value of the live porcine animal from that the pork
 14 product was derived, based on the most recent annual
 15 seven-market average for barrows and gilts, as published by
 16 the USDA.

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

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

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

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

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

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

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



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

3 (1) produced; or
4 (2) processed;

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

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

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

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

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

15 (1) communication directly with pork producers, promoters,
16 purchasers, consumers, and stakeholders;
17 (2) technical assistance; and
18 (3) trade marketing activities;

19 **to enhance the marketing opportunities of pork and any product
20 containing pork in domestic and foreign markets and increase
21 access to federal government money available for Indiana pork
22 producers.**

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

25 (1) weighed;
26 (2) graded;
27 (3) titled; and
28 (4) transferred to the purchaser.

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

31 (1) marketability;
32 (2) production;
33 (3) product development;
34 (4) quality; or
35 (5) functional or nutritional value;

36 **of pork and any product derived from pork, including research
37 activities designed to identify and analyze barriers to domestic and
38 foreign sales of pork.**

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

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



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

3 **(b) The board of directors consists of the following voting**
 4 **board members:**

5 **(1) At least three (3) and no more than twelve (12) at large**
 6 **members, each of which are voting members of the IPPA, as**
 7 **follows:**

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

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

11 **(C) Each may serve for a term of two (2) years from the**
 12 **date of the member's election.**

13 **(D) Each may not serve more than three (3) consecutive**
 14 **terms.**

15 **(2) At least (1) but no more than three (3) affiliated industry**
 16 **members, as follows:**

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

18 **(B) Each of which represents an industry reasonably**
 19 **affiliated with the pork industry.**

20 **(C) Each may serve for a term of two (2) years from the**
 21 **date of the member's election.**

22 **(D) Each may not serve more than three (3) consecutive**
 23 **terms.**

24 **(3) The director of the National Pork Board, who serves as**
 25 **an ex officio member.**

26 **(4) The director of the National Pork Producers Council,**
 27 **who serves as an ex officio member.**

28 **(5) One (1) member of the board of directors of the IPPA**
 29 **appointed by the dean of agriculture at Purdue University,**
 30 **whose term expires if the dean appoints a replacement.**

31 **(6) One (1) member of the board of directors of the IPPA**
 32 **appointed by the director of INPAC, whose term expires if**
 33 **the INPAC director appoints a replacement.**

34 **(7) One (1) member who is the preceding president of the**
 35 **IPPA, whose term as a member of the board of directors**
 36 **expires when the current president's term concludes.**

37 **(8) The executive director of the IPPA, who serves as an ex**
 38 **officio member.**

39 **(9) One (1) appointee of the chief executive officer of the**
 40 **Indiana Soybean Alliance, whose term as a member of the**
 41 **board of directors expires if the chief executive officer of the**
 42 **Indiana Soybean Alliance appoints a replacement.**



(c) In addition to the requirements under subsection (b), a member of the board of directors must meet the following criteria:

(1) Be a registered voter in Indiana.

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

(3) Be a producer.

(d) The IPPA shall elect a president, vice president, secretary, treasurer, and any other officers deemed necessary by the board of directors.

(e) One-third (1/3) of the members of the board of directors constitutes a quorum. An affirmative vote of at least a majority of 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

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1 a majority vote of the voting members of IPPA at the annual
 2 meeting.

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

- 5 (1) holds an office of importance to the pork industry; or
 6 (2) has special expertise concerning the pork industry;
 7 to participate in the work of the IPPA.

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

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

15 Sec. 25. The IPPA shall do the following:

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

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

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

23 (4) Annually establish priorities and prepare and approve a
 24 budget consistent with the estimated resources of the IPPA
 25 and the scope of this chapter.

26 (5) Annually provide:

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

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

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

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

35 (8) Receive and investigate complaints and violations of this
 36 chapter.

37 (9) Take necessary enforcement action against an individual
 38 who violates this chapter.

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

42 (11) Keep accurate accounts of all receipts and



1 **disbursements of funds handled by the IPPA and have the**
 2 **receipts and disbursements audited annually by a certified**
 3 **public accountant.**

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

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

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

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

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

11 **(3) Raises a porcine animal, slaughters the porcine animal,**
 12 **and sells the pork.**

13 **(4) Raises a porcine animal for breeding stock.**

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

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

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

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

25 **(d) The first purchaser of a porcine animal or a pork product**
 26 **shall deduct the assessment on the porcine animal or pork product**
 27 **from the money to be paid to the producer or importer based on**
 28 **the sale of the porcine animal or pork product. A first purchaser**
 29 **shall accumulate assessments collected under this section**
 30 **throughout each of the following periods:**

31 **(1) January, February, and March.**

32 **(2) April, May, and June.**

33 **(3) July, August, and September.**

34 **(4) October, November, and December.**

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

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

42 **Sec. 28. (a) The IPPA shall pay all expenses incurred under**



1 **this chapter with money from the assessments remitted to the IPPA
2 under this chapter.**

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

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

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

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

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

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

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

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

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

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

40 **(A) storage;
41 (B) conditioning;
42 (C) shipping; and**



(D) handling; of agricultural commodities. The costs of the audit shall be paid by the IPPA.

4 Sec. 31. (a) If a first purchaser fails to remit the assessments
5 collected during a period specified in section 29 of this chapter not
6 more than thirty (30) days after the end of the period, the IPPA
7 shall contact the first purchaser and allow the first purchaser to
8 present comments to the IPPA concerning:

14 (1) may adjust the amount of the assessments due, if the first
15 purchaser's comments reveal that the IPPA's figure is
16 inaccurate;
17 (2) may assess a penalty against the first purchaser;
18 (3) shall:

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

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

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

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1 **judgment rendered as in any other proceeding for the collection of
2 a debt. In an action under this subsection, the IPPA 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. 32. (a) The IPPA may not use proceeds of the assessment
7 collected under this chapter to influence legislation or
8 governmental action or policy.**

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

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

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

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

21 **(b) If it is necessary to obtain compliance with this chapter, the
22 IPPA 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 IPPA may be granted
26 injunctive relief without establishing the absence of an adequate
27 remedy at law.1**

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