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SENATE BILL NO. 1079

Offered January 12, 2011

Prefiled January 11, 2011

A *BILL to amend and reenact §§ 3.2-1100 and 3.2-1301 through 3.2-1306 of the Code of Virginia, relating to the Cattle Industry Board.*

Patron—Hanger

Referred to Committee on Agriculture, Conservation and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That §§ 3.2-1100 and 3.2-1301 through 3.2-1306 of the Code of Virginia are amended and reenacted as follows:

§ 3.2-1100. Diversion of dedicated revenues.

A. The unexpended balances of the following special funds shall not be diverted or expended for any purpose other than each fund's intended purpose unless authorized by a specific act of Assembly. The special funds are:

1. Apple Fund (§ 3.2-1206);
2. Peanut Fund (§ 3.2-1906);
3. Plant Pollination Fund (§ 3.2-2806);
4. Virginia Agricultural Foundation Fund (§ 3.2-2905);
5. Virginia Bright Flue-Cured Tobacco Promotion Fund (§ 3.2-2407);
6. Virginia ~~Cattle Beef~~ Industry Fund (§ 3.2-1305);
7. Virginia Corn Fund (§ 3.2-1411);
8. Virginia Cotton Fund (§ 3.2-1511);
9. Virginia Dark-Fired Tobacco Promotion Fund (§ 3.2-2506);
10. Virginia Egg Fund (§ 3.2-1605);
11. Virginia Horse Industry Promotion and Development Fund (§ 3.2-1704);
12. Virginia Marine Products Fund (§ 3.2-2705);
13. Virginia Milk Commission Assessments Fund (§ 3.2-3220);
14. Virginia Pork Industry Fund (§ 3.2-2005);
15. Virginia Potato Fund (§ 3.2-1810);
16. Virginia Sheep Industry Promotion and Development Fund (§ 3.2-2111);
17. Virginia Small Grains Fund (§ 3.2-2211);
18. Virginia Soybean Fund (§ 3.2-2311); and
19. Virginia Wine Promotion Fund (§ 3.2-3005).

B. No provision of this subtitle shall be construed to give any board the authority to expend funds for legislative or political activity.

Chapter 13.**~~Cattle Beef~~ Industry Board Council.**

§ 3.2-1301. Beef Industry Council; composition and appointment of members.

A. The ~~Cattle Beef~~ Industry Board Council, established by the passage of a referendum held pursuant to Chapter 375 of the 1983 Acts of Assembly, is continued within the Department.

The ~~Cattle Beef~~ Industry Board Council shall be composed of 15 members, each of whom shall be a citizen of the United States and a resident of the Commonwealth. Each member shall have been actively engaged in the type of production or business that he will represent on the ~~Cattle Beef~~ Industry Board Council for at least five years, shall derive a substantial proportion of his income from such production or business, and shall continue to be actively engaged in such production or business during his term.

B. The Governor shall appoint the members, who represent the various segments of the industry as follows:

1. Seven commercial beef cattle producers, one from each feeder cattle production area of the Commonwealth. The seven areas shall be designated by the Virginia Cattlemen's Association in general accordance with feeder cattle marketing practices.

2. Two dairymen.

3. One commercial cattle feeder.

4. Two purebred beef cattle breeders.

5. Two livestock market operators.

6. One meat packer or processor.

C. Such appointments shall be chosen from the following recommendations made through the

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59 Commissioner:

60 1. Each of the seven beef cattle producing areas shall recommend two producers to the Virginia
61 Cattlemen's Association. The Virginia Cattlemen's Association shall recommend these 14 commercial
62 beef cattle producers (two from each area), and at least one representative from each feeder cattle
63 production area of the Commonwealth shall be appointed to the ~~Cattle Beef Industry Board~~ *Council*.

64 2. The Virginia Cattle Feeders Association shall recommend two commercial cattle feeders.

65 3. The Virginia State Dairymen's Association shall recommend four dairymen.

66 4. The Beef Cattle Improvement Association shall recommend four purebred beef cattle breeders,
67 provided that not more than one be nominated from each of the four predominant breeder associations.

68 5. The Virginia Association of Livestock Market Operators shall recommend four livestock market
69 operators.

70 6. The Virginia Cattlemen's Association shall recommend two persons, each of whom shall be either
71 a processor or a packer.

72 § 3.2-1302. Beef Industry Council membership terms.

73 A. The terms for appointments to the ~~Cattle Beef Industry Board~~ *Council* shall be for four years,
74 except appointments to fill vacancies, which shall be for the unexpired terms. No ~~Cattle Beef Industry~~
75 ~~Board~~ *Council* member may serve more than two consecutive full terms. Whenever a new appointment
76 is made, the person receiving the appointment shall be a representative of the same segment of the
77 industry as his predecessor and nominated as before.

78 B. The Governor shall immediately declare the office of any member of the ~~Cattle Beef Industry~~
79 ~~Board~~ *Council* vacant when he finds that the member no longer is actively engaged in the type of beef
80 or dairy production or business he was engaged in at the time of his appointment; is no longer a
81 resident of the Commonwealth; or is unable to perform the duties of his office.

82 § 3.2-1303. Beef Industry Council officers and compensation.

83 A. The ~~Cattle Beef Industry Board~~ *Council* shall elect a chairman and such other officers as deemed
84 appropriate who may or may not be from among its members. The ~~Cattle Beef Industry Board~~ *Council*
85 shall meet each six months and at such other times as called by the chairman. The chairman may call
86 special meetings at any time and shall call a special meeting when requested by five or more members
87 of the ~~Cattle Beef Industry Board~~ *Council*.

88 B. Members shall serve without compensation but shall be reimbursed for actual expenses incurred in
89 attending meetings of the ~~Cattle Beef Industry Board~~ *Council*.

90 § 3.2-1304. Powers and duties of Beef Industry Council.

91 A. The ~~Cattle Beef Industry Board~~ *Council* may improve cattle industry markets through activities to
92 develop, maintain, and expand the state, national, and foreign markets for cattle, beef, veal, and their
93 products produced, processed, or manufactured in the Commonwealth.

94 B. The ~~Cattle Beef Industry Board~~ *Council* may formulate and effectuate, directly or in cooperation
95 with other agencies and instrumentalities specified in this chapter, sales stimulation and consumer or
96 other educational programs designed to increase the use and consumption of beef, veal, and their
97 products.

98 C. The ~~Cattle Beef Industry Board~~ *Council* shall engage in the research, education, and promotion of
99 the use and sale of beef and beef products, and shall have the following powers and duties:

100 1. To enter into contracts as the ~~Cattle Beef Industry Board~~ *Council* deems necessary for the
101 experimental development of new or improved markets or marketing methods.

102 2. To conduct or contract for scientific research and services to discover and develop the commercial
103 value of beef and veal and their products.

104 3. To make grants to research agencies for financing special or emergency studies or for the purchase
105 or acquisition of facilities necessary to carry out research in keeping with the intent of this chapter.

106 4. To disseminate reliable information founded upon the research conducted under this chapter and
107 other sources, showing the uses of beef, veal, and their products.

108 5. To cooperate with any local, state, or national organization or agency engaged in work or
109 activities similar to that of the ~~Cattle Beef Industry Board~~ *Council* and enter into contracts with such
110 organizations or agencies for carrying on joint programs.

111 6. To act jointly and in cooperation with the federal and state governments, or any agency thereof in
112 the administration of any program of the government or governmental agency deemed by the ~~Cattle Beef~~
113 ~~Industry Board~~ *Council* as beneficial to the production, marketing, or promotion of the beef and veal
114 industry of the Commonwealth and expend funds in connection with such programs provided they are
115 compatible with this chapter.

116 7. To enter into contracts that it deems appropriate to the carrying out of the purposes of the ~~Cattle~~
117 ~~Beef Industry Board~~ *Council* as authorized by this chapter.

118 8. To study and inform producers concerning state and federal legislation with respect to tariffs,
119 duties, reciprocal trade agreements, import quotas, and other matters concerning the beef and veal
120 industry.

9. To borrow money not in excess of estimates of its revenue from the current year's tax.

10. To appoint subordinate officers and employees of the *Cattle Beef Industry Board Council* and prescribe their duties and fix their compensation within the limitations of the Virginia Personnel Act (§ 2.2-2900 et seq.).

11. To acquire and maintain such office space and equipment as necessary to carry out the duties of the *Cattle Beef Industry Board Council*.

12. From the tax revenues it receives, to contract with organizations, including the National Livestock and Meat Board, to carry out work and programs, approved by the *Cattle Beef Industry Board Council*, on a national basis.

D. The *Cattle Beef Industry Board Council* shall establish a meeting place anywhere within the Commonwealth, but the selection of the location shall be guided by consideration for the convenience of the majority of those most likely to have business with the *Cattle Beef Industry Board Council* or to be affected by this chapter.

E. The *Cattle Beef Industry Board Council* may adopt regulations necessary to carry out the purpose of this chapter.

F. An annual report shall be made by the *Cattle Beef Industry Board Council* to the Commissioner and shall be published as a public record to include a statement on receipts and itemized disbursements of the Virginia *Cattle Beef Industry Fund*.

§ 3.2-1305. Virginia Beef Industry Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia *Cattle Beef Industry Fund*, hereinafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. All funds collected pursuant to § 3.2-1306 shall be paid into the state treasury and credited to the Fund. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

All moneys credited to the Fund shall be used exclusively as set forth in this chapter. The Auditor of Public Accounts shall audit all the accounts of the *Cattle Beef Industry Board Council* as is provided for in § 30-133. Expenditures and disbursements from the Fund shall be made by the *Cattle Beef Industry Board Council* on warrants issued by the Comptroller upon written request signed by a duly authorized officer of the *Cattle Beef Industry Board Council*.

§ 3.2-1306. Collection and disposition of assessment by handler; reports.

A. Every handler shall deduct 25 cents (\$0.25) per head from the proceeds of sale owed by him to the respective owners of all cattle and calves when sold in the Commonwealth, with the exception of dairy cows going back to farms for milk production and those animals selling for less than \$20 per head. The handler shall remit such assessments to the Tax Commissioner on or before the last day of the month following the end of each calendar quarter.

B. Every handler shall complete reports on forms furnished by the Tax Commissioner and submit such reports to the Tax Commissioner along with the assessments collected pursuant to subsection A. Each report shall include a statement of the number of cattle handled and the amount of money collected, and any other information deemed necessary by the Tax Commissioner to carry out his functions. Notwithstanding the provisions of § 58.1-3, upon request, the Tax Commissioner is authorized to provide the *Cattle Beef Industry Board Council* with a list of taxpayers and amounts paid.

C. Any assessment that is not paid when due shall be collected pursuant to § 3.2-1102.