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HOUSE BILL NO. 1094

House Amendments in [] — February 5, 2016

A *BILL to amend and reenact §§ 3.2-1201, 3.2-1202, 3.2-1205, 3.2-1301, 3.2-1302, 3.2-1304, 3.2-1501, 3.2-1512, 3.2-1601, 3.2-1606, 3.2-1607, 3.2-1700, 3.2-1801, 3.2-1803, 3.2-1901, 3.2-1904, 3.2-1906, and 3.2-2101 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 11 of Title 3.2 sections numbered 3.2-1104, 3.2-1105, and 3.2-1106; and to repeal §§ 3.2-1203, 3.2-1207, 3.2-1303, 3.2-1503, 3.2-1602, 3.2-1603, 3.2-1608, 3.2-1609, 3.2-1702, 3.2-1802, 3.2-1902, 3.2-1903, 3.2-2102, and 3.2-2103 of the Code of Virginia, relating to commodity boards.*

Patron Prior to Engrossment—Delegate Webert

Referred to Committee on Agriculture, Chesapeake and Natural Resources

Be it enacted by the General Assembly of Virginia:

1. That §§ 3.2-1201, 3.2-1202, 3.2-1205, 3.2-1301, 3.2-1302, 3.2-1304, 3.2-1501, 3.2-1512, 3.2-1601, 3.2-1606, 3.2-1607, 3.2-1700, 3.2-1801, 3.2-1803, 3.2-1901, 3.2-1904, 3.2-1906, and 3.2-2101 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 11 of Title 3.2 sections numbered 3.2-1104, 3.2-1105, and 3.2-1106 as follows:

§ 3.2-1104. Preemption by federal law.

No provision of Chapter 12 (§ 3.2-1200 et seq.), Chapter 13 (§ 3.2-1300 et seq.), Chapters 15 (§ 3.2-1500 et seq.) through 21 (§ 3.2-2100 et seq.), Chapter 23 (§ 3.2-2300 et seq.), or Chapter 24 (§ 3.2-2400 et seq.) that is expressly preempted by a federal act or agreement governing commodity assessments shall be enforced or imposed until the termination of such act or agreement.

§ 3.2-1105. Commodity boards; appointment terms; quorum.

The following provisions apply to each commodity board established pursuant to the provisions of Chapter 12 (§ 3.2-1200 et seq.), Chapter 13 (§ 3.2-1300 et seq.), Chapters 16 (§ 3.2-1600 et seq.) through 19 (§ 3.2-1900 et seq.), or Chapter 21 (§ 3.2-2100 et seq.):

1. The term for each appointment to a commodity board shall be for four years, with the exception of an appointment to fill a vacancy, which shall be for the unexpired term, unless otherwise authorized in this subtitle; and

2. A majority of the members of a commodity board shall constitute a quorum of that commodity board unless otherwise authorized in this subtitle.

§ 3.2-1106. Commodity board officers and reimbursement of expenses.

The following provisions apply to each commodity board established pursuant to the provisions of Chapter 12 (§ 3.2-1200 et seq.), Chapter 13 (§ 3.2-1300 et seq.), Chapters 15 (§ 3.2-1500 et seq.) through 19 (§ 3.2-1900 et seq.), or Chapter 21 (§ 3.2-2100 et seq.):

1. The members of a commodity board shall elect one board member as chairman and such other officers as deemed appropriate unless otherwise authorized in this subtitle; and

2. Each appointed member of a commodity board shall serve without compensation. Such commodity board may reimburse any of its members for actual expenses incurred in the performance of his duties unless otherwise authorized in this subtitle. Such reimbursements shall be made from the special funds established pursuant to the provisions of Chapter 12 (§ 3.2-1200 et seq.), Chapter 13 (§ 3.2-1300 et seq.), Chapters 15 (§ 3.2-1500 et seq.) through 19 (§ 3.2-1900 et seq.), or Chapter 21 (§ 3.2-2100 et seq.).

§ 3.2-1201. Apple Board; composition and appointment of members.

A. The Apple Board is continued within the Department. The Apple Board shall consist of ~~nine~~ six members, with ~~three~~ two members representing each district. Each member shall be a citizen of the Commonwealth and engaged in producing apples in the Commonwealth with a majority of his apple production occurring in the district he represents.

B. The Commissioner shall hold a special election in each district to elect each member of the Apple Board. The special election shall be held by secret ballot at least 30 days but not more than 90 days before the expiration of the term of office of any member. The Commissioner shall appoint the candidate receiving the highest number of votes in the special election as a member. The Apple Board may adopt and enforce regulations governing the conduct of special elections and voting therein. Such regulations shall be exempt from Article 2 (§ 2.2-4006 et seq.) of the Administrative Process Act. A producer shall be eligible to vote only in the district where the majority of his apple production occurs.

§ 3.2-1202. Apple Board membership.

The terms for appointments to the Apple Board shall be for three years.

If a vacancy occurs before the expiration of any term of office, the Commissioner shall fill such

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59 vacancy within 30 days after the vacancy by a special election held to elect a member for the unexpired
60 term.

61 **§ 3.2-1205. Commercial apple-producing districts designated.**

62 The commercial apple-producing districts of the Commonwealth are as follows:

63 Area I. Northern Virginia District — Clarke, Fairfax, Frederick, and Loudoun Counties, and the City
64 of Winchester.

65 Area II. Central Virginia District — Accomack, Fauquier, King William, Lancaster, Madison,
66 Middlesex, Northampton, Northumberland, Orange, Page, Rappahannock, Richmond, Rockingham,
67 Shenandoah, Warren, and Westmoreland Counties.

68 Area III. Southern Virginia District — Albemarle, Amherst, Augusta, Bedford, Botetourt,
69 Buckingham, *Campbell*, Carroll, Charlotte, Dickenson, Franklin, Floyd, Giles, Grayson, Halifax,
70 Hanover, Henry, Isle of Wight, James City, Lee, Louisa, Lunenburg, Montgomery, Nelson, Nottoway,
71 Patrick, Pittsylvania, Prince Edward, Pulaski, Roanoke, Rockbridge, Russell, Smyth, Southampton, Surry,
72 Wise, and Wythe Counties.

73 Whenever the commercial production of apples begins in any locality not included ~~above~~ *in this*
74 *section*, such locality shall become a part of the nearest district that has the lowest commercial apple
75 production according to production records of the Department.

76 **§ 3.2-1301. Beef Industry Council; composition and appointment of members.**

77 A. The Beef Industry Council, established by the passage of a referendum held pursuant to Chapter
78 375 of the ~~1983~~ Acts of Assembly of 1983, is continued within the Department.

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

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

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

89 2. Two dairymen.

90 3. One commercial cattle feeder.

91 4. Two purebred beef cattle breeders.

92 5. Two livestock market operators.

93 6. One meat packer or processor.

94 C. Such appointments shall be chosen from the following recommendations made through the
95 Commissioner:

96 1. Each of the seven beef cattle producing areas shall recommend two producers to the Virginia
97 Cattlemen's Association. The Virginia Cattlemen's Association shall recommend these 14 commercial
98 beef cattle producers (two from each area), and at least one representative from each feeder cattle
99 production area of the Commonwealth shall be appointed to the Beef Industry Council.

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

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

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

104 5. The Virginia Association of Livestock Market Operators shall recommend four livestock market
105 operators.

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

108 The recommendations shall be submitted at least 90 days before the expiration of the member's term
109 for which the nomination is being provided. If said associations fail to provide the recommendations at
110 least 90 days before the expiration date pursuant to this section, the Governor may appoint other
111 nominees that meet the foregoing criteria.

112 **§ 3.2-1302. Beef Industry Council vacancies.**

113 A. The terms for appointments to the Beef Industry Council shall be for four years, except
114 appointments to fill vacancies, which shall be for the unexpired terms. No Beef Industry Council
115 member may serve more than two consecutive full terms. Whenever a new appointment is made, the
116 person receiving the appointment shall be a representative of the same segment of the industry as his
117 predecessor and nominated as before.

118 B. The Governor shall immediately declare the office of any member of the Beef Industry Council
119 vacant when he finds that the member no longer is actively engaged in the type of beef or dairy
120 production or business he was engaged in at the time of his appointment, is no longer a resident of the

121 Commonwealth, or is unable to perform the duties of his office. *Whenever a new appointment is made,*
122 *the person receiving the appointment shall be a representative of the same segment of the industry*
123 *represented by his predecessor and shall be nominated pursuant to the provision of § 3.2-1301 under*
124 *which his predecessor was nominated.*

125 **§ 3.2-1304. Powers and duties of Beef Industry Council.**

126 A. The Beef Industry Council may improve cattle industry markets through activities to develop,
127 maintain, and expand the state, national, and foreign markets for cattle, beef, veal, and their products
128 produced, processed, or manufactured in the Commonwealth.

129 B. The Beef Industry Council may formulate and effectuate, directly or in cooperation with other
130 agencies and instrumentalities specified in this chapter, sales stimulation and consumer or other
131 educational programs designed to increase the use and consumption of beef, veal, and their products.

132 C. The Beef Industry Council shall engage in the research, education, and promotion of the use and
133 sale of beef and beef products, and shall have the following powers and duties:

134 1. To enter into contracts as the Beef Industry Council deems necessary for the experimental
135 development of new or improved markets or marketing methods.

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

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

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

142 5. To cooperate with any local, state, or national organization or agency engaged in work or
143 activities similar to that of the Beef Industry Council and enter into contracts with such organizations or
144 agencies for carrying on joint programs.

145 6. To act jointly and in cooperation with the federal and state governments, or any agency thereof in
146 the administration of any program of the government or governmental agency deemed by the Beef
147 Industry Council as beneficial to the production, marketing, or promotion of the beef and veal industry
148 of the Commonwealth and expend funds in connection with such programs provided they are compatible
149 with this chapter.

150 7. To enter into contracts that it deems appropriate to the carrying out of the purposes of the Beef
151 Industry Council as authorized by this chapter.

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

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

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

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

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

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

167 E. The Beef Industry Council may adopt regulations necessary to carry out the purpose of this
168 chapter.

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

172 **§ 3.2-1501. Cotton Board; composition and appointment of members; quorum.**

173 The Cotton Board, established by the passage of a referendum held pursuant to Chapter 873 of the
174 ~~1997~~ Acts of Assembly of 1997, is continued within the Department. The Cotton Board shall be
175 composed of eight members appointed by the Governor, each of whom shall be a resident of Virginia
176 and a producer in Virginia. The Governor shall be guided in his appointments from nominations made
177 by the following agricultural organizations: (i) the Virginia Cotton Growers Association, Inc.; (ii) the
178 Virginia Farm Bureau Federation; and (iii) any other organization within the Commonwealth that is
179 recognized by the U.S. Department of Agriculture as a certified cotton grower organization representing
180 Virginia producers pursuant to guidelines authorized by the Cotton Research and Promotion Act (7
181 U.S.C. §§ 2101 -2118). Each such agricultural organization may nominate producers from each

182 production area. The Governor shall appoint a producer residing in each such production area. If no
 183 producer resides in a particular production area, the Governor shall appoint a qualified producer from
 184 any other production area. Each agricultural organization shall submit ~~two or more~~ nominations for each
 185 available position ~~at least 90 days~~ before the expiration of the member's term for which the nomination
 186 is being provided. If said agricultural organizations fail to provide the nominations ~~at least 90 days~~
 187 ~~before the expiration date pursuant to this section~~, the Governor may appoint other nominees that meet
 188 the foregoing criteria. Five members of the Cotton Board shall constitute a quorum.

189 **§ 3.2-1512. Collection and disposition of assessment by handler; reports.**

190 A. Every handler shall collect an assessment of ~~85~~ 95 cents ~~(\$0.85)~~ (\$0.95) per bale from the owner
 191 of all cotton that the handler gins for any owner and shall remit such assessment to the Tax
 192 Commissioner on or before the last day of the month following the end of each calendar quarter. Such
 193 assessment shall be in addition to any moneys collected by the handler as authorized by the Cotton
 194 Research and Promotion Act (7 U.S.C. §§ 2101 -2118). The Tax Commissioner shall promptly pay the
 195 assessments into the state treasury to the credit of the Virginia Cotton Fund.

196 B. Every handler shall complete reports on forms furnished by the Tax Commissioner, submit such
 197 reports to the Tax Commissioner along with the assessments submitted pursuant to subsection A, and
 198 keep copies of the reports for a period of not less than three years from the time the report was
 199 produced. Each report shall consist of information for the calendar quarter preceding the month such
 200 report is due and shall include the following: (i) the number of bales that the handler has ginned; (ii) the
 201 dollar amount of assessments collected by the handler; (iii) a list of those from whom an assessment has
 202 been collected for cotton ginned by the handler; (iv) the dollar amounts of all assessments collected
 203 from each owner of cotton ginned by the handler; and (v) any other information deemed necessary by
 204 the Tax Commissioner to carry out his duties under this chapter. Notwithstanding the provisions of
 205 § 58.1-3, upon request, the Tax Commissioner shall provide to the Cotton Board or the Commissioner
 206 copies of reports submitted pursuant to this section.

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

208 **§ 3.2-1601. Egg Board; composition and appointment of members.**

209 The Egg Board is continued within the Department. The Egg Board shall be composed of seven
 210 members appointed by the Governor and confirmed in accordance with § 2.2-107 from nominations
 211 submitted to him by the Virginia Egg Council *or any other organization that represents persons who*
 212 *are involved in the commercial egg industry in the Commonwealth.*

213 The Virginia Egg Council *or other organization* shall provide ~~two or more~~ nominations for each
 214 available position ~~at least 30 days~~ before the expiration of the member's term for which the nominations
 215 are being provided. If the Virginia Egg Council fails to provide ~~at least two~~ nominations for each
 216 available position ~~at least 30 days before the expiration date pursuant to this section~~, the Governor may
 217 appoint to such available position another person who is involved in the commercial egg industry.

218 **§ 3.2-1606. Levy of tax; regulations; exemptions.**

219 A. There is hereby levied on eggs purchased or sold for use or consumption in the Commonwealth
 220 an excise tax of five cents (\$0.05) per 30-dozen case or, if the eggs are purchased or sold in other than
 221 shell form, 11 cents (\$0.11) per 100 pounds of liquid eggs or liquid equivalent. Such excise tax shall be
 222 levied only once. The Tax Commissioner, with the advice and consent of the Egg Board, may adopt
 223 regulations as are necessary for the interpretation, administration, and enforcement of this tax.

224 B. *The following categories of eggs shall be exempt from the tax levied pursuant to this chapter:*

225 1. *The eggs of any producer selling fewer than 500 cases (15,000 dozen), or the liquid equivalent*
 226 *thereof, per year.*

227 2. *Eggs when sold between registered handlers.*

228 *The Tax Commissioner shall provide a mechanism for returning taxes paid by exempt persons.*

229 **§ 3.2-1607. Collection and disposition of tax by handler; reports.**

230 A. Every handler shall collect the tax imposed by this chapter from the person who purchases eggs
 231 for use or consumption in the Commonwealth and shall remit the tax to the Tax Commissioner by the
 232 20th day of each month.

233 B. Every handler shall complete reports on forms furnished by the Tax Commissioner and submit the
 234 reports to the Tax Commissioner together with the tax submitted pursuant to subsection A. Each report
 235 shall include a statement of the gross volume of taxed eggs that have been packed, processed,
 236 purchased, sold, or handled by the handler. ~~A copy of the completed report shall simultaneously be filed~~
 237 ~~with the Egg Board. The Notwithstanding the provisions of § 58.1-3, upon request, the Tax~~
 238 ~~Commissioner may disclose to the duly authorized officer of shall provide to the Commissioner or the~~
 239 ~~Egg Board tax information relating to the egg tax copies of reports submitted pursuant to this section.~~

240 C. Every person who engages in business in the Commonwealth as a handler shall register, collect,
 241 and pay the tax on all eggs sold or delivered to anyone other than a registered handler for storage, use,
 242 or consumption in the Commonwealth. Such handlers shall maintain a certificate of registration, file
 243 returns, and perform all other duties required of handlers.

244 D. Any tax that is not paid when due shall be collected pursuant to § 3.2-1102.

245 E. Every handler shall keep a complete record of the eggs subject to the provisions of this chapter
 246 that are packed, processed, or handled by him and shall preserve such records for a period of not less
 247 than three years from the time the eggs were packed, processed, or handled. Such records shall be open
 248 for inspection by the Tax Commissioner and shall be established and maintained as required by the Tax
 249 Commissioner.

250 **§ 3.2-1700. Horse Industry Board; composition and appointment of members; quorum.**

251 The Horse Industry Board, established by the passage of a referendum held pursuant to Chapters 790
 252 and 805 of the 1993 Acts of Assembly of 1993, is continued within the Department. The Horse Industry
 253 Board shall consist of 12 members representing the horse industry, industry support services, education,
 254 and equine health. Four members shall be the presidents of the following industry organizations: the
 255 Virginia Horse Council, Inc., the Virginia Thoroughbred Association, the Virginia Horse Shows
 256 Association, and the Virginia Quarter Horse Association. Four members shall serve at large, to be
 257 appointed by the Governor from nominations made by the remaining statewide horse breed or use
 258 organizations. The Governor shall also appoint two members from recommendations submitted by the
 259 Virginia horse industry: one shall be a representative of the horse industry support services or
 260 professional community (feed manufacturing or sales, pharmaceutical sales, horseshoeing, marketing,
 261 veterinary services, etc.) and the other shall be an individual commercially involved in the horse
 262 industry (manager, trainer, etc.). Each organization shall submit ~~two or more~~ nominations or
 263 recommendations for each available position at least 90 days before the expiration of the member's term
 264 for which the nomination or recommendation is being provided. If the organizations fail to provide the
 265 nominations at least 90 days before the expiration date pursuant to this section, the Governor may
 266 appoint other nominees that meet the foregoing criteria.

267 The ~~An~~ extension horse equine specialist from Virginia Polytechnic Institute and State University
 268 shall serve as a voting member of the Horse Industry Board. The Commissioner shall serve as a
 269 nonvoting member.

270 Seven members shall constitute a quorum for the transaction of business.

271 The presidents of the Virginia Horse Council, Inc., the Virginia Thoroughbred Association, the
 272 Virginia Horse Shows Association, and the Virginia Quarter Horse Association may each designate in
 273 writing a member of his organization as an alternate who may attend meetings in his place and be
 274 counted as a member of the Horse Industry Board for the purposes of a quorum and for voting.

275 **§ 3.2-1801. Potato Board; composition and appointment of members.**

276 The Potato Board, established by the passage of a 1994 referendum held pursuant to Chapter 126 of
 277 the 1982 Acts of Assembly of 1982, is continued within the Department. The Potato Board shall be
 278 composed of seven members appointed by the Governor from nominations by grower organizations, the
 279 appointments to be subject to confirmation by the General Assembly. All members of the Potato Board
 280 shall be producers of potatoes. Each grower organization shall submit ~~two or more~~ nominations for each
 281 available position at least 90 days before the expiration of the member's term for which the nomination
 282 is being provided. If said organizations fail to provide nominations at least 90 days before such
 283 expiration, the Governor may appoint other nominees that meet the criteria provided by this section.

284 **§ 3.2-1803. Potato Board meetings and quorum.**

285 A. The Board shall elect a chairman and such other officers as deemed appropriate.

286 B. Members of the Potato Board shall receive such compensation for the performance of their duties
 287 as provided in § ~~2.2-2813~~. Members shall be reimbursed for all reasonable and necessary expenses
 288 incurred in the performance of their duties as provided in §§ ~~2.2-2813~~ and ~~2.2-2825~~. Funding for the
 289 costs of compensation and expenses of the members shall be provided by the Department.

290 C. The Potato Board shall meet at least once each year prior to the beginning of the seed potato
 291 buying season, at the call of the chairman, and whenever the majority of the members so request. A
 292 majority of the members shall constitute a quorum.

293 **§ 3.2-1901. Peanut Board; composition and appointment of members.**

294 The Peanut Board is continued within the Department. The Peanut Board shall consist of ~~nine~~ eight
 295 members representing as nearly as possible each peanut-producing section of the Commonwealth. Such
 296 members shall be appointed by the Governor, subject to confirmation by the General Assembly, and
 297 each of whom shall be a resident of the Commonwealth and engaged in producing peanuts in the
 298 Commonwealth. The Governor shall be guided in his appointments by the recommendations of the
 299 Virginia Peanut Growers Association or other *organizations representing* peanut growers' organizations
 300 existing growers in peanut-producing counties. ~~The Virginia Peanut Growers Association and any other~~
 301 ~~peanut growers' organization~~ submitting nominations shall submit two or more nominations for each
 302 available position at least 90 days before the expiration of the member's term for which the nomination
 303 is being provided. If the Virginia Peanut Growers Association or other ~~peanut growers' organizations~~
 304 ~~representing peanut growers~~ fail to provide the nominations at least 90 days before the expiration date

305 pursuant to this section, the Governor may appoint other nominees that meet the foregoing criteria.

306 **§ 3.2-1904. Powers and duties of Peanut Board.**

307 A. All funds levied and collected under this chapter shall be administered by the Peanut Board.

308 B. The Peanut Board shall plan and conduct campaigns for education, advertising, publicity, sales
309 promotion, and research as to Virginia peanuts.

310 C. The Peanut Board may make contracts, expend moneys of the Peanut Fund, and do whatever else
311 may be necessary to effectuate the purposes of this chapter.

312 D. The Peanut Board may cooperate with other state, regional, and national agricultural and peanut
313 organizations in research, advertising, publicity, education, and other means of promoting the sale and
314 use of peanuts, and may expend moneys of the Peanut Fund for such purposes.

315 E. The Peanut Board may enter into an agreement with the Federal Commodity Credit Corporation
316 or its designee to collect and remit the specified assessment on all peanuts pledged as collateral for a
317 marketing assistance or price support loan.

318 ~~F. The Peanut Board may appoint a secretary and other employees as may be necessary at salaries to
319 be fixed by the Peanut Board, subject to the provisions of Chapter 29 (§ 2.2-2900 et seq.) of Title 2.2.
320 All employees handling money under this chapter shall be required to furnish surety bonds.~~

321 ~~G. The chairman shall make a report at the annual meeting of the Peanut Board and furnish the
322 members of the Peanut Board with a statement of the total receipts and disbursements for the year. He
323 shall file a copy of the report and the audit required by § 3.2-1906 with the Commissioner.~~

324 **§ 3.2-1906. Peanut Fund established.**

325 There is hereby created in the state treasury a special nonreverting fund to be known as the Peanut
326 Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the
327 Comptroller. All moneys levied and collected under the provisions of this chapter, after deducting the
328 expense to the Commonwealth of collecting the same, shall be paid into the state treasury and credited
329 to the Fund.

330 Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys
331 remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the
332 general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of
333 paying the costs of collecting the tax levied on peanuts pursuant to this chapter, the administration of
334 this chapter, including payment for personal services and expenses of employees and agents of the
335 Peanut Board, rent, services, materials, and supplies necessary to effectuate the purposes of this chapter.
336 Expenditures and disbursements from the Fund shall be made by the Peanut Board on warrants issued
337 by the Comptroller upon written request signed by a duly authorized officer of the Peanut Board.

338 The Auditor of Public Accounts shall audit all the accounts of the Peanut Board as is provided for in
339 § 30-133.

340 **§ 3.2-2101. Sheep Industry Board; composition and appointment of members.**

341 The Sheep Industry Board, established by the passage of a referendum held pursuant to Chapter 691
342 of the 1995 Acts of Assembly, is continued within the Department.

343 The Sheep Industry Board shall consist of 12 members representing the sheep industry and industry
344 support services. The Governor shall appoint 12 individuals from nominations submitted by the Virginia
345 Sheep Producers Association, Virginia sheep and wool marketing organizations, or other Virginia farm
346 organizations representing sheep producers. One member shall represent the packing/processing/retailing
347 segment of the industry, one shall represent the Virginia Livestock Markets Association, and one shall
348 represent the purebred segment of the industry. The remaining nine members shall be appointed by the
349 Governor as follows in accordance with § 3.2-2110, with no more than one member appointed per
350 locality: three members who reside in the Southwest District; three members who reside in the Valley
351 District; two members who reside in the Northern District; and one member who resides in the South
352 Central District. In addition, the extension sheep specialist from Virginia Polytechnic Institute and State
353 University and the Commissioner shall serve as nonvoting members. ~~Seven members of the Sheep
354 Industry Board shall constitute a quorum for the transaction of business.~~

355 Each association or organization shall submit ~~two or more~~ nominations for each available position at
356 least 90 days before the expiration of the member's term for which the nomination or recommendation is
357 being provided. If the organizations fail to provide the nominations at least 90 days before the expiration
358 date pursuant to this section, the Governor may appoint other nominees that meet the foregoing criteria.

359 2. That §§ 3.2-1203, 3.2-1207, 3.2-1303, 3.2-1503, 3.2-1602, 3.2-1603, 3.2-1608, 3.2-1609, 3.2-1702,
360 3.2-1802, 3.2-1902, 3.2-1903, 3.2-2102, and 3.2-2103 of the Code of Virginia are repealed.

361 3. That until July 1, 2018, no handler shall collect or remit the Virginia cattle assessment of 25
362 cents (\$0.25) per head pursuant to the provisions of subsection A of § 3.2-1306 of the Code of
363 Virginia.

364 4. That the Beef Industry Council shall survey industry members about the utility of Chapter 13
365 (§ 3.2-1300 et seq.) of Title 3.2 of the Code of Virginia and the cattle assessments collected
366 pursuant to the provisions of that chapter and shall report its findings to the General Assembly by

367 January 1, 2018.

368 [5. That this act shall not be construed to affect existing appointments to commodity boards listed
369 in § 3.2-1105 of the Code of Virginia as created by this act for which the terms have not expired.

370 However, any new appointments made to such boards on and after July 1, 2016, shall be made in
371 accordance with the provisions of this act.]

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