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SENATE BILL NO. 374

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Agriculture, Conservation and Natural Resources
on January 11, 2018)

(Patron Prior to Substitute—Senator Chafin)

A BILL to amend and reenact §§ 3.2-1100, 3.2-1300, 3.2-1301, 3.2-1304, 3.2-1305, and 3.2-1306 of the Code of Virginia, to amend the Code of Virginia by adding a section numbered 3.2-1302.1, and to repeal § 3.2-1302 of the Code of Virginia, relating to the Beef Industry Council.

Be it enacted by the General Assembly of Virginia:

1. That §§ 3.2-1100, 3.2-1300, 3.2-1301, 3.2-1304, 3.2-1305, and 3.2-1306 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 3.2-1302.1 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. 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 Beef Cattle 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 (§ 3.2-2407.1);
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.

BEEF CATTLE INDUSTRY COUNCIL BOARD.

§ 3.2-1300. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Board" means the Cattle Industry Board.

"Cattle" means ~~beef cattle sold for slaughter or feeding purposes, veal calves sold for slaughter or feeding purposes, beef-type and dairy dairy-type cattle sold for immediate slaughter providing such animals are sold for a consideration in excess of \$20 per head in the Commonwealth.~~

"Handler" means, at the point where the cattle are weighed or traded and the value determined, ~~operators of all stockyards an operator of any stockyard, livestock dealerships, slaughterhouses dealership, slaughterhouse, packing plants, and plant, or livestock auction markets market, or any other person that who purchases from a producer.~~

"Processor" or "packer" means any person that slaughters cattle.

"Producer" means any person engaged in the business of raising cattle; ~~or selling dairy cattle for slaughter.~~

§ 3.2-1301. Cattle Industry Board; composition and appointment of members.

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

The ~~Beef Industry Council Board~~ shall be composed of ~~45~~ seven 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 ~~Beef Industry Council Board~~ 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.

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

62 1. ~~Seven commercial~~ Six beef cattle producers, one from each ~~feeder~~ cattle production area of the
63 Commonwealth. The ~~seven~~ six areas shall be designated by the Virginia Cattlemen's Association in
64 general accordance with *census-based feeder cattle marketing practices populations and updated every*
65 *10 years using USDA National Agricultural Statistics Service information.*

66 2. ~~Two dairymen.~~

67 3. ~~One commercial cattle feeder~~ dairy producer.

68 4. ~~Two purebred beef cattle breeders.~~

69 5. ~~Two livestock market operators.~~

70 6. ~~One meat packer or processor.~~

71 C. Such appointments shall be chosen from the following recommendations made through the
72 ~~Commissioner~~ Secretary of the Commonwealth:

73 1. Each of the ~~seven~~ six beef cattle producing areas shall recommend two producers to the Virginia
74 Cattlemen's Association. The Virginia Cattlemen's Association *Executive Committee* shall, *in consultation*
75 *with other cattle producer representative organizations*, recommend these ~~14 commercial~~ 12 beef cattle
76 producers (two from each area), and at least one representative from each ~~feeder~~ cattle production area
77 of the Commonwealth shall be appointed *by the Governor and confirmed in accordance with § 2.2-107*
78 *to the Beef Industry Council Board.*

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

80 3. ~~The Virginia State Dairymen's Association Board of Directors shall recommend four dairymen two~~
81 *dairy producers.*

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

84 5. ~~The Virginia Association of Livestock Market Operators shall recommend four livestock market~~
85 *operators.*

86 6. ~~The Virginia Cattlemen's Association shall recommend two persons, each of whom shall be either~~
87 *a processor or a packer.*

88 The recommendations shall be submitted before the expiration of the member's term for which the
89 nomination is being provided. If said associations fail to provide the recommendations, the Governor
90 may appoint other nominees ~~that~~ who meet the foregoing criteria.

91 **§ 3.2-1302.1. Cattle Industry Board officers and compensation.**

92 *The Board shall elect a chairman and such other officers as deemed appropriate who may or may*
93 *not be from among its members. The Board shall meet once per year and at such other times as called*
94 *by the chairman. The chairman may call special meetings at any time and shall call a special meeting*
95 *when requested by four or more members of the Board.*

96 **§ 3.2-1304. Powers and duties of Cattle Industry Board.**

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

100 B. ~~The Beef Industry Council Board~~ may formulate and effectuate, directly or in cooperation with
101 other agencies and instrumentalities specified in this chapter, sales stimulation and consumer or other
102 educational programs designed to increase the use and consumption of beef; ~~veal~~; ~~and their~~ and beef
103 products.

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

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

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

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

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

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

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

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

8. To study and inform producers concerning state and federal legislation with respect to tariffs, duties, reciprocal trade agreements, import quotas, and other matters concerning the beef and veal 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 Beef Industry Council Board 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 Beef Industry Council Board.

12. From the tax revenues it receives, to contract with organizations to carry out work and programs, approved by the Beef Industry Council, on a national basis Board to carry out approved industry promotion.

D. The Beef Industry Council Board 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 Beef Industry Council Board or to be affected by this chapter.

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

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

§ 3.2-1305. Virginia Cattle Industry Fund established.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Beef Cattle 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 Beef Industry Council Board as is provided for in § 30-133. Expenditures and disbursements from the Fund shall be made by the Beef Industry Council Board on warrants issued by the Comptroller upon written request signed by a duly authorized officer of the Beef Industry Council Board.

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

A. Every handler shall deduct ~~25 cents (\$0.25)~~ one dollar (\$1) 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 cattle of any type weighing 199 pounds or less. The handler shall remit such assessments to the Tax Commissioner on or before the last day of the each month following the end of each calendar quarter in which the handler sells cattle.

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 Beef Industry Council Board 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.

D. Any producer from whom an assessment has been collected pursuant to subsection A who is dissatisfied with the assessment and the Board's use of the assessment may, within 30 days of the collection of the assessment, make a written demand for a refund of the assessment from the Board. The Board shall refund such assessments.

2. That § 3.2-1302 of the Code of Virginia is repealed.

3. That the provisions of this act shall not affect the USDA-approved collection and administration of the National Beef Checkoff in accordance with the 1985 National Beef Promotion Act and Order or the dispersal of any collected funds in accordance with the guidelines of a marketing plan approved by the national Cattlemen's Beef Promotion and Research Board.