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A Bill

DRAFT JLL/JLL
SENATE BILL

By: Senator B. King

Filed with: Arkansas Legislative Council
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS RICE RESEARCH AND
PROMOTION ACT OF 1999; TO TRANSFER THE ADMINISTRATION
OF RICE ASSESSMENTS TO THE SECRETARY OF THE ARKANSAS
AGRICULTURE DEPARTMENT; TO ALLOW FOR THE EMPLOYMENT
OR RETENTION OF AUDITORS TO MONITOR THE COLLECTION
AND DEPOSIT OF RICE ASSESSMENTS AND THE FINANCIAL
STABILITY OF RICE BUYERS; AND FOR OTHER PURPOSES.

Subtitle

TO TRANSFER THE ADMINISTRATION OF RICE
ASSESSMENTS TO THE SECRETARY OF THE
ARKANSAS AGRICULTURE DEPARTMENT; AND TO
ALLOW FOR THE EMPLOYMENT OR RETENTION OF
AUDITORS TO MONITOR RICE ASSESSMENTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 2-20-504(a) and (b), concerning penalties
for failure to pay rice assessments, are amended to read as follows:

(a)(1) ~~Any~~ A buyer who fails to file a report or pay ~~any~~ an assessment
within the required time set by the ~~Director of the Department of Finance and~~
~~Administration~~ Secretary of the Arkansas Agriculture Department shall forfeit
to the ~~director~~ secretary a penalty of five percent (5%) of the assessment
determined to be due plus one percent (1%) for each month of delay, or

fraction of a month, after the first month after the report was required to be filed or the assessment became due.

(2) The penalty shall be paid to the ~~director~~ secretary and shall be disposed of by him or her in the same manner as funds derived from the payment of assessment imposed in this subchapter.

(b) The ~~director~~ secretary shall collect the penalty levied in this subchapter, together with the delinquent assessment, by any or all of the following methods:

(1) Voluntary payment by the person liable;

(2) Legal proceedings instituted in a court of competent jurisdiction; or

(3) Injunctive relief to enjoin any buyer owing an assessment or penalty from operating his or her business or engaging in business as a buyer of rice until the delinquent assessment or penalty is paid.

SECTION 2. Arkansas Code § 2-20-507 is amended to read as follows:

2-20-507. Assessments on grown rice.

(a) There are imposed and levied:

(1) An assessment at the rate of one and thirty-five hundredths cents (1.35¢) per bushel to be paid by the buyer at the first point of sale, whether within or without the state, on rice grown within the state or at the point the rice enters into the United States Department of Agriculture loan program; and

(2) An assessment at the rate of one and thirty-five hundredths cents (1.35¢) per bushel to be paid by the producer on all rice grown within this state.

(b) The assessment imposed and levied by this section shall be collected by the ~~Director of the Department of Finance and Administration~~ Secretary of the Arkansas Agriculture Department from the buyer of rice at the first point of sale or at the point the rice enters into the United States Department of Agriculture loan program.

(c)(1) The proceeds of the assessment, less a collection fee of not more than three percent (3%) to cover the cost of collections be used as stated in subsection (e) of this section, shall be deposited with the Treasurer of State in a special fund to be established for the Arkansas Rice Research and Promotion Board to the credit of the board.

(2) Disbursement shall be made only upon a motion duly passed by the board and presented to the Treasurer of State and only for a purpose prescribed in this subchapter.

(d)(1) The funds derived from the assessment paid by a buyer at the first point of sale shall be used for:

(A) Market development and promotion;

(B) Basic administration expenses; ~~and~~

(C) Defraying the costs of referenda that the board may refer to buyers of rice; and

(D) The retention or employment of one (1) or more auditors to monitor the:

(i) Collection and deposit of the assessments levied under this section; and

(ii) Financial stability of buyers responsible for reporting and paying assessments under this subchapter.

(2) The funds derived from the assessment paid by a producer shall be used for:

(A) Rice extension and rice research;

(B) Basic administration expenses; ~~and~~

(C) Defraying the costs of referenda that the board may refer to producers of rice; and

(D) The retention or employment of one (1) or more auditors to monitor the:

(i) Collection and deposit of the assessments levied under this section; and

(ii) Financial stability of buyers responsible for reporting and paying assessments under this subchapter.

(3) Funds under subdivisions (d)(1) and (2) of this section may be applied within or without Arkansas, including regional, national, and international applications.

(e) The secretary shall use the collection fee established under subdivision (c)(1) of this section to retain or employ one (1) or more auditors to monitor the:

(1) Collection and deposit of the assessments levied under this section; and

(2) Financial stability of buyers responsible for reporting and paying assessments under this subchapter.

SECTION 3. Arkansas Code § 2-20-508 is amended to read as follows:

2-20-508. Records and other documentation.

(a)(1) Every buyer shall keep a complete and accurate record of all rice handled by him or her.

(2) The records shall be in such form and contain other information as the Arkansas Rice Research and Promotion Board shall prescribe by rule ~~or regulation~~.

(3) The record shall be preserved for a period of one (1) year and shall be offered for inspection at any time upon written demand by the ~~Director of the Department of Finance and Administration~~ Secretary of the Arkansas Agriculture Department or any duly authorized agent or representative of him or her.

(b)(1) At such times as the ~~director~~ secretary may require, every buyer shall submit reports or otherwise document any information deemed necessary for the efficient collection of the assessment imposed in this subchapter.

(2) The ~~director~~ secretary shall have the power to cause any duly authorized agent or representative to enter upon the premises of any buyer of rice and examine or cause to be examined by the agent any books, papers, and records which deal in any way with respect to the payment of the assessment or enforcement of the provisions of this subchapter.

Referral requested by: Senator Bryan King

Prepared by: JLL