

INTERIM STUDY PROPOSAL 2015-136

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015

A Bill

DRAFT JLL/JLL
SENATE BILL

4 By: Senator B. King

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

9 **For An Act To Be Entitled**

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

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19 **Subtitle**

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

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

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

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

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

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

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

9 (1) Voluntary payment by the person liable;

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

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

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

17 2-20-507. Assessments on grown rice.

18 (a) There are imposed and levied:

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

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

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

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

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

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

6 (A) Market development and promotion;

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

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

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

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

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

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

18 (A) Rice extension and rice research;

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

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

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

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

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

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

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

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

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

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

5 2-20-508. Records and other documentation.

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

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

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

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

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

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27 Referral requested by: Senator Bryan King

28 Prepared by: JLL
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