

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB920**

**Bill Subtitle: TO PROTECT ARKANSAS FARMERS BY REGULATING THE GRAIN INDUSTRY; TO CREATE THE ARKANSAS GRAIN INDEMNITY LAW; AND TO TRANSFER THE ADMINISTRATION OF GRAIN ASSESSMENTS TO THE ARKANSAS AGRICULTURE DEPARTMENT.**

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**Basic Change :** Sponsor: Senator G. Stubblefield

The proposal would create the Arkansas Grain Indemnity Law and transfer the administration of grain assessments to the Arkansas Agriculture Department. In order to protect Arkansas farmers, the proposal would regulate the grain industry by providing common definitions for administration, rules for licensure of grain buyers, rules for contracts, records, and violations and penalties for those not operating in accordance with the provisions established.

This proposal would amend current laws regarding the reporting of promotion assessments; refunds of assessments; and penalties on grain promotion fees collected on soybean, rice, wheat, and corn and sorghum. The bill would transfer the responsibility for collection and administration of these assessments from DFA to the Secretary of the Arkansas Agriculture Department.

**Revenue Impact :**

No change in the amount of current fee assessments

**Taxpayer Impact :**

This proposal provides rules for grain buyers which will further regulate the grain industry and provide assistance to Arkansas Farmers.

**Resources Required :**

None

**Time Required :**

Adequate time is provided for implementation.

**Procedural Changes :**

Education of the staff and the adoption of rules for this addition would also be necessary.

**Legal Analysis :**

The bill strike provisions of existing law that would permit the Arkansas Soybean Promotion Board to designate DFA to collect assessments on its behalf. Instead, the Secretary of the Arkansas Agriculture Department may now be designated by the Board to collect assessments. However, the bill fails to amend §2-20-403(a)(2) to change the designee from DFA to the Secretary of the Arkansas Agriculture Department for payment of penalties. Therefore, it is recommended the bill be amended to also amend §2-20-403.

Sections 9, 11, and 12 strike provisions of existing law that require buyers to file rice reports and pay rice assessments to DFA. Instead, buyers will be required to report and pay to Secretary of the Arkansas Agriculture Department. In addition, Section 11 amends existing law to remove provisions that enable DFA to demand to see records. Instead, that authority has been transferred to the Secretary of the Arkansas Agriculture Department.

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Sections 13, 14, and 15 strike provisions of existing law that require buyers to file wheat reports and pay wheat assessments to DFA. Instead, buyers will be required to report and pay to the Secretary of the Arkansas Agriculture Department. In addition, Section 15 amends existing law to remove provisions that enable DFA to demand to see a buyer's records. Instead, that authority has been transferred to the Secretary of the Arkansas Agriculture Department. Lastly, section 15 also strikes provisions of existing law that permit wheat producers to receive a refund of the amount deducted from sales of wheat by making application for refund to DFA. Instead, wheat producers must apply for refund by submitting an application to the Secretary of the Arkansas Agriculture Department.

Section 16 and 19 strike provisions of existing law that require buyers to file corn and grain sorghum reports and pay corn and grain sorghum assessments to DFA. Instead, buyers will be required to report and pay to Secretary of the Arkansas Agriculture Department.

The bill does not contain an emergency clause and will become effective 90 days after adjournment.