

Representative Scott D. Sandall proposes the following substitute bill:

AGRICULTURE REVISIONS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

Senate Sponsor: Margaret Dayton

LONG TITLE

General Description:

This bill modifies provisions related to beef promotion.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Utah Beef Council as an independent state agency;
- ▶ describes the Utah Beef Council's composition, organization, and duties; and
- ▶ modifies provisions related to setting the beef promotion fee.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

63E-1-102, as last amended by Laws of Utah 2017, Chapters 181, 345, and 363

ENACTS:

4-21-101, Utah Code Annotated 1953

4-21-103, Utah Code Annotated 1953



- 26 [4-21-104](#), Utah Code Annotated 1953
- 27 [4-21-105](#), Utah Code Annotated 1953
- 28 [4-21-106](#), Utah Code Annotated 1953
- 29 [4-21-107](#), Utah Code Annotated 1953
- 30 [4-21-301](#), Utah Code Annotated 1953
- 31 [4-21-302](#), Utah Code Annotated 1953
- 32 [4-21-303](#), Utah Code Annotated 1953

33 RENUMBERS AND AMENDS:

- 34 [4-21-102](#), (Renumbered from 4-21-2, as enacted by Laws of Utah 1979, Chapter 2)
- 35 [4-21-201](#), (Renumbered from 4-21-3, as last amended by Laws of Utah 2011, Chapter
- 36 383)
- 37 [4-21-202](#), (Renumbered from 4-21-4, as last amended by Laws of Utah 1986, Second
- 38 Special Session, Chapter 10)
- 39 [4-21-203](#), (Renumbered from 4-21-5, as last amended by Laws of Utah 2004, Chapter
- 40 128)

41 REPEALS:

- 42 [4-21-1](#), as enacted by Laws of Utah 1979, Chapter 2



44 *Be it enacted by the Legislature of the state of Utah:*

45 Section 1. Section [4-21-101](#) is enacted to read:

46 **CHAPTER 21. BEEF PROMOTION**

47 **Part 1. Organization**

48 **4-21-101. Title.**

49 This chapter is known as "Beef Promotion."

50 Section 2. Section [4-21-102](#), which is renumbered from Section 4-21-2 is renumbered
51 and amended to read:

52 ~~[4-21-2]~~. **4-21-102. Definitions.**

53 As used in this chapter:

54 (1) "Council" means the Utah Beef Council created in Section [4-21-103](#).

55 (2) "Department" means the Utah Department of Agriculture and Food created in
56 Section [4-2-102](#).

57 ~~[(1)]~~ (3) "Marketing agency" means ~~[any transaction in which the seller is represented~~
 58 ~~by]~~ a person who acts as an agent of the seller in the sale of cattle in that ~~[such]~~ the person
 59 issues payment to the seller and is entitled to a commission based upon the sale~~[:];~~.

60 ~~[(2)]~~ (4) "Producer" means ~~[any]~~ a person who owns and raises or owns and feeds
 61 cattle~~[:];~~.

62 ~~[(3)]~~ (5) "Purchaser" means ~~[any]~~ a person who buys cattle~~[:];~~.

63 ~~[(4)]~~ (6) "Seller" means ~~[any]~~ a person who offers cattle for sale.

64 Section 3. Section **4-21-103** is enacted to read:

65 **4-21-103. Utah Beef Council created -- Composition -- Nomination and selection**
 66 **of appointed members -- Terms of appointed members -- Qualifications for nomination.**

67 (1) There is created an independent state agency known as the Utah Beef Council.

68 (2) The Utah Beef Council consists of 10 members as follows:

69 (a) the commissioner of the Utah Department of Agriculture and Food, or the
 70 commissioner's designee;

71 (b) the president of the Utah Cattlemen's Association;

72 (c) the vice president of the Utah Cattlemen's Association;

73 (d) a member of the Utah Cattlemen's Association board of directors, chosen by the
 74 Utah Cattlemen's Association;

75 (e) the appointee from Utah on the national beef checkoff Cattlemen's Beef Promotion
 76 and Research Board, appointed by the United States Secretary of Agriculture;

77 (f) the president of the Utah Cattlemen's Association;

78 (g) a member of the Utah Dairy Commission, chosen by the Utah Dairy Commission;

79 and

80 (h) three at-large producers from the state of Utah, appointed as described in

81 Subsection (4).

82 (3) In addition to the members listed in Subsection (2), the council may appoint
 83 nonvoting members.

84 (4) (a) At-large candidates for appointment to the council shall be nominated by a
 85 formal written request signed by two or more producers and submitted to the council no later
 86 than October 1.

87 (b) A membership committee, consisting of the commissioner or the commissioner's

88 designee, the council member representing the Utah Dairy Commission, and the president of
89 the Utah Cattlemen's Association shall:

90 (i) select candidates for appointment to the council from the nominees submitted by
91 producers; and

92 (ii) present the candidates to the governor for review and appointment on or before
93 December 1.

94 (5) (a) The governor shall appoint the at-large members to three-year terms beginning
95 on January 1 of the year following appointment to the council.

96 (b) Notwithstanding the requirements of Subsection (5)(a), the governor shall, at the
97 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
98 at-large members are staggered so that one at-large member is appointed each year.

99 (6) Each at-large member shall be:

100 (a) a citizen of the United States;

101 (b) 18 years of age or older;

102 (c) an active producer; and

103 (d) a resident of Utah.

104 Section 4. Section **4-21-104** is enacted to read:

105 **4-21-104. Council -- Organization -- Quorum to transact business -- Removal for**
106 **cause -- Vacancies -- Ineligibility to serve -- Compensation.**

107 (1) (a) The council members shall elect a chair, vice chair, and secretary annually from
108 the voting members of the council.

109 (b) At least two of the members elected pursuant to Subsection (1)(a) shall be members
110 listed in Subsection [4-21-103](#)(2)(a), (e), or (h).

111 (2) (a) A majority of voting members shall constitute a quorum.

112 (b) A majority vote of the quorum is necessary for the council to act.

113 (3) The council shall meet:

114 (a) at the time and place designated by the chair; and

115 (b) no less than once every three months.

116 (4) The commissioner, or the commissioner's designee, may, in consultation with the
117 other members of the membership committee, remove a member for cause.

118 (5) Vacancies that occur on the council for any reason shall be filled by appointment

119 for the unexpired term of the vacated member.

120 (6) If an at-large member ceases to act as a producer during the member's term, the
121 member shall resign from the council within 30 days after ceasing production.

122 (7) Subject to Subsection (8), a member may not receive compensation or benefits for
123 the member's service, but may receive per diem and travel expenses in accordance with:

124 (a) Section 63A-3-106;

125 (b) Section 63A-3-107; and

126 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
127 63A-3-107.

128 (8) A nonvoting member may not receive compensation or benefits for the member's
129 service and may not receive per diem or travel expenses.

130 Section 5. Section **4-21-105** is enacted to read:

131 **4-21-105. Council powers, duties, and functions -- Reporting requirements.**

132 (1) The council has the following powers, duties, and functions:

133 (a) hire and fix the salary of an administrator and staff, who may not be members of the
134 council, to administer the policies adopted and perform the duties assigned by the council;

135 (b) promote the beef industry of the state;

136 (c) encourage local, national, and international use of Utah beef, through advertising or
137 otherwise;

138 (d) investigate and participate in studies of problems unique to Utah producers;

139 (e) take actions consistent with this chapter to promote, protect, and stabilize the state's
140 beef industry;

141 (f) enter into contracts and incur indebtedness in furtherance of the council's business
142 activities;

143 (g) cooperate with local, state, or national organizations engaged in activities similar to
144 those of the council;

145 (h) accept grants, donations, or gifts for use consistent with this chapter; and

146 (i) do other things necessary for the efficient and effective management and operation
147 of the council's business.

148 (2) The council shall:

149 (a) submit the council's proposed budget and an end-of-year audited financial statement

150 to the department and the Office of the State Auditor within 180 days of the end of each fiscal
151 year;

152 (b) provide the department, on an annual basis, with a detailed outline of the council's
153 plans for future publications and messaging; and

154 (c) report, by October 1 of each year, to the Retirement and Independent Entities
155 Interim Committee on the operations and activities of the council.

156 Section 6. Section **4-21-106** is enacted to read:

157 **4-21-106. Exemption from certain operational requirements.**

158 (1) The council is exempt from:

159 (a) Title 51, Chapter 5, Funds Consolidation Act;

160 (b) Title 51, Chapter 7, State Money Management Act;

161 (c) Title 63A, Utah Administrative Services Code, except as provided in Subsection

162 (2)(c);

163 (d) Title 63J, Chapter 1, Budgetary Procedures Act; and

164 (e) Title 67, Chapter 19, Utah State Personnel Management Act.

165 (2) The council is subject to:

166 (a) Title 51, Public Funds and Accounts, except as provided in Subsections

167 4-21-106(1)(a) and (b);

168 (b) Title 52, Chapter 4, Open and Public Meetings Act;

169 (c) Title 63A, Chapter 3, Part 4, Utah Public Finance Website;

170 (d) Title 63G, Chapter 2, Government Records Access and Management Act;

171 (e) other Utah Code provisions not specifically exempted under Subsection

172 4-21-106(1); and

173 (f) audit by the state auditor pursuant to Title 67, Chapter 3, Auditor, and by the

174 legislative auditor pursuant to Section 36-12-15.

175 Section 7. Section **4-21-107** is enacted to read:

176 **4-21-107. Council may require surety bond -- Payment of premium.**

177 (1) The council may require the administrator or a council employee to post a surety

178 bond conditioned for the faithful performance of the council's official duties.

179 (2) The amount and type of bond shall be fixed by the council and each bond premium

180 shall be paid by the council.

181 Section 8. Section **4-21-201**, which is renumbered from Section 4-21-3 is renumbered
182 and amended to read:

183 **Part 2. Revenue**

184 ~~[4-21-3].~~ **4-21-201. Beef promotion fee -- Deposit of revenue.**

185 (1) (a) The department shall collect a fee established as required by Subsection (2) on
186 all fee brand inspected cattle upon change of ownership or slaughter in an amount not more
187 than \$1 or less than 25 cents.

188 (b) The fee is collected by the local brand inspector at the time of inspection of cattle,
189 or deducted and collected by the marketing agency or the purchaser.

190 (c) All revenue collected under this section shall be paid to the department, which shall
191 deposit the revenue in ~~[an agency]~~ a fund that is hereby created and is known as the "Beef
192 Promotion Fund."

193 ~~[(2) Before a fee assessed under Subsection (1) becomes effective, the department shall
194 give notice of the proposed fee to all known beef and dairy cattle producers in the state, invite
195 all beef and dairy cattle producers to register to vote in a referendum, conduct a hearing on the
196 proposed fee change, and conduct a referendum where at least 50% of the registered producers
197 cast a vote with a majority of those voting casting an affirmative vote on the proposed fee
198 level.]~~

199 ~~[(3)]~~ (2) Any fee currently assessed by the department continues in effect until
200 modified by the department under ~~[Subsections (1) and (2)]~~ Subsection (1).

201 ~~[(4)]~~ (3) The fee assessed under this section is in addition to the amount of any
202 assessment required to be paid pursuant to the Beef Promotion and Research Act of 1985, 7
203 U.S.C. Sec. 2901 et seq.

204 Section 9. Section **4-21-202**, which is renumbered from Section 4-21-4 is renumbered
205 and amended to read:

206 ~~[4-21-4].~~ **4-21-202. Refund of fees allowed -- Claim for refund to be filed with**
207 **department -- Payment of refunds.**

208 (1) A person who objects to payment of the assessed fee may file a claim with the
209 department within 60 days after the fee is collected. ~~[No]~~

210 (2) A claim for refund~~[, however,]~~ is not allowed if it is filed more than 60 days after
211 the date the fee is collected.

212 (3) Each claim for a refund shall be certified by the department to the state treasurer for
213 payment from the beef promotion account, subject to ~~[any]~~ applicable provisions of the Beef
214 Promotion and Research Act of 1985, 7 U.S.C. Sec. 2901 et seq.

215 Section 10. Section **4-21-203**, which is renumbered from Section 4-21-5 is renumbered
216 and amended to read:

217 ~~[4-21-5]~~. **4-21-203. Revenue from fees to be used to promote beef industry --**
218 **Payment of revenue monthly to Utah Beef Council -- Deduction of costs of administration**
219 **and processing funds -- Annual audit of books, records, and accounts -- Financial**
220 **statement of audit published.**

221 (1) (a) All revenue derived from the collection of fees authorized by this chapter shall
222 be paid to the council and used to promote the beef industry of the state ~~[and the revenue shall~~
223 ~~be paid to:]~~.

224 ~~[(i) the Utah Beef Council, a Utah nonprofit corporation organized to promote Utah~~
225 ~~beef; or]~~

226 ~~[(ii) an agency, acceptable to the department, with the concurrence of the Utah~~
227 ~~Cattlemen's Association.]~~

228 (b) The revenue shall be paid monthly, as requested by the council ~~[or appointed~~
229 ~~agency]~~, and the actual costs of administration for processing the funds shall be deducted
230 before disbursing the funds.

231 (2) (a) The books, records, and accounts of the ~~[Utah Beef Council or appointed~~
232 ~~agency]~~ council shall be audited at least once annually by a licensed accountant approved by
233 the Office of the State Auditor.

234 (b) The results of the audit shall be submitted to the commissioner, and a financial
235 statement of the audit and a general statement of operations and promotional and advertising
236 activities shall be published by the council ~~[or appointed agency]~~ in a major livestock
237 publication having general circulation in Utah.

238 (3) Upon receipt of the funds, the council may deposit revenue from the collection of
239 fees in one or more accounts in one or more banks approved by the state as depositories.

240 (4) The books, records, and accounts of the council's activities are public records.

241 Section 11. Section **4-21-301** is enacted to read:

242 **Part 3. Liability and Enforcement**

243 **4-21-301. State disclaimer of liability.**

244 The state is not liable for the acts or omissions of the council, council officers, agents,
245 or employees.

246 Section 12. Section **4-21-302** is enacted to read:

247 **4-21-302. Council not eligible for coverage under Risk Management Fund.**

248 The council is not eligible to receive coverage under the Risk Management Fund
249 created by Section [63A-4-201](#).

250 Section 13. Section **4-21-303** is enacted to read:

251 **4-21-303. Representation by the attorney general.**

252 (1) The attorney general is not the legal advisor for the council and has no obligation to
253 defend the council or the council's members in an action or proceeding brought against the
254 council.

255 (2) The attorney general may choose, at its sole discretion, to represent the council or
256 its members if requested to do so and pursuant to reimbursement by contract.

257 Section 14. Section **63E-1-102** is amended to read:

258 **63E-1-102. Definitions -- List of independent entities.**

259 As used in this title:

260 (1) "Authorizing statute" means the statute creating an entity as an independent entity.

261 (2) "Committee" means the Retirement and Independent Entities Committee created by
262 Section [63E-1-201](#).

263 (3) "Independent corporation" means a corporation incorporated in accordance with
264 Chapter 2, Independent Corporations Act.

265 (4) (a) "Independent entity" means an entity having a public purpose relating to the
266 state or its citizens that is individually created by the state or is given by the state the right to
267 exist and conduct its affairs as an:

268 (i) independent state agency; or

269 (ii) independent corporation.

270 (b) "Independent entity" includes the:

271 (i) Utah Beef Council, created by Section [4-21-103](#);

272 ~~(i)~~ (ii) Utah Dairy Commission created by Section [4-22-103](#);

273 ~~(ii)~~ (iii) Heber Valley Historic Railroad Authority created by Section [63H-4-102](#);

- 274 [~~(iii)~~] (iv) Utah State Railroad Museum Authority created by Section [63H-5-102](#);
- 275 [~~(iv)~~] (v) Utah Housing Corporation created by Section [63H-8-201](#);
- 276 [~~(v)~~] (vi) Utah State Fair Corporation created by Section [63H-6-103](#);
- 277 [~~(vi)~~] (vii) Utah State Retirement Office created by Section [49-11-201](#);
- 278 [~~(vii)~~] (viii) School and Institutional Trust Lands Administration created by Section
- 279 [53C-1-201](#);
- 280 [~~(viii)~~] (ix) School and Institutional Trust Fund Office created by Section [53D-1-201](#);
- 281 [~~(ix)~~] (x) Utah Communications Authority created by Section [63H-7a-201](#);
- 282 [~~(x)~~] (xi) Utah Energy Infrastructure Authority created by Section [63H-2-201](#);
- 283 [~~(xi)~~] (xii) Utah Capital Investment Corporation created by Section [63N-6-301](#); and
- 284 [~~(xii)~~] (xiii) Military Installation Development Authority created by Section
- 285 [63H-1-201](#).
- 286 (c) Notwithstanding this Subsection (4), "independent entity" does not include:
- 287 (i) the Public Service Commission of Utah created by Section [54-1-1](#);
- 288 (ii) an institution within the state system of higher education;
- 289 (iii) a city, county, or town;
- 290 (iv) a local school district;
- 291 (v) a local district under Title 17B, Limited Purpose Local Government Entities - Local
- 292 Districts; or
- 293 (vi) a special service district under Title 17D, Chapter 1, Special Service District Act.
- 294 (5) "Independent state agency" means an entity that is created by the state, but is
- 295 independent of the governor's direct supervisory control.
- 296 (6) "Money held in trust" means money maintained for the benefit of:
- 297 (a) one or more private individuals, including public employees;
- 298 (b) one or more public or private entities; or
- 299 (c) the owners of a quasi-public corporation.
- 300 (7) "Public corporation" means an artificial person, public in ownership, individually
- 301 created by the state as a body politic and corporate for the administration of a public purpose
- 302 relating to the state or its citizens.
- 303 (8) "Quasi-public corporation" means an artificial person, private in ownership,
- 304 individually created as a corporation by the state, which has accepted from the state the grant of

305 a franchise or contract involving the performance of a public purpose relating to the state or its
306 citizens.

307 Section 15. **Repealer.**

308 This bill repeals:

309 Section **4-21-1, Purpose declaration.**

310 Section 16. **Effective date.**

311 This bill takes effect on July 1, 2018.