

**As Reported by the Senate Agriculture Committee**

**127th General Assembly**

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**Sub. H. B. No. 217**

**Representative Reinhard**

**Cosponsors: Representatives Adams, Aslanides, Evans, Fessler, Latta, McGregor, J., Schlichter, Seitz, Setzer, Stebelton, Webster, Zehringer, Core, Goodwin, Huffman, Hite, Luckie, Domenick, Blessing, Bolon, Book, Brown, Bubp, Chandler, Collier, Combs, Daniels, Dodd, Dyer, Garrison, Gerberry, Goyal, Hagan, R., Harwood, Hughes, Letson, Mallory, Okey, Otterman, Raussen, Schneider, Widener**

**Senator Schuring**

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**A B I L L**

To amend sections 924.01, 924.02, 924.08, 924.09, and 1  
924.99 and to enact sections 924.20 to 924.30 and 2  
3717.53 of the Revised Code to establish a grain 3  
marketing program, to provide that the Director of 4  
Agriculture has exclusive authority to regulate 5  
the provision of food nutrition information at 6  
food service operations, and to provide incentives 7  
for bioproducts innovation in the Ohio polymer 8  
industry. 9

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 924.01, 924.02, 924.08, 924.09, and 10  
924.99 be amended and sections 924.20, 924.21, 924.22, 924.23, 11  
924.24, 924.25, 924.26, 924.27, 924.28, 924.29, 924.30, and 12  
3717.53 of the Revised Code be enacted to read as follows: 13

Sec. 924.01. As used in ~~Chapter 924.~~ sections 924.01 to 924.16 and 924.51 to 924.55 of the Revised Code: 14  
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(A) "Agricultural commodity" means any food, fiber, feed, animal, or plant, or group of foods, fibers, feeds, animals, or plants that the director of agriculture determines to be of the same nature, in either a natural or a processed state. 16  
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"Agricultural commodity" does not include grain as defined in section 924.20 of the Revised Code. 20  
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(B) "Distributor" means any person who sells, offers for sale, markets, or distributes an agricultural commodity ~~which he~~ that the person has purchased or acquired directly from a producer, or ~~which he~~ that the person markets on behalf of a producer. 22  
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(C) "Handler" means any person who is in the business of packing, grading, selling, offering for sale, or marketing any agricultural commodity in commercial quantities as defined in a marketing program. 27  
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(D) "Marketing program" means a program ~~which~~ that is established by order of the director ~~of agriculture~~ pursuant to this chapter, to improve or expand the market for an agricultural commodity. 31  
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(E) "Operating committee" means a committee established to administer a marketing program for an agricultural commodity. 35  
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(F) "Person" means any natural person, partnership, corporation, society, association, or fiduciary. 37  
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(G) "Processor" means any person who is in the business of grading, packaging, packing, canning, freezing, dehydrating, fermenting, distilling, extracting, preserving, grinding, crushing, juicing, or in any other way preserving or changing the form of any agricultural commodity. 39  
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(H) "Producer" means any person who is in the business of producing, or causing to be produced, any agricultural commodity for commercial sale, except that when used in reference to nursery stock, "producer" also means a distributor, processor, handler, or retailer of nursery stock.

**Sec. 924.02.** The director of agriculture, subject to ~~this chapter sections 924.01 to 924.16~~ and Chapter 119. of the Revised Code, shall do all of the following:

(A) Establish procedures by which producers of Ohio agricultural commodities may propose, develop, and operate marketing programs to:

(1) Promote the sale and use of their products;

(2) Develop new uses and markets for such products;

(3) Improve the methods of distributing such products to consumers;

(4) Standardize the quality of such products for specific uses.

(B) Adopt and enforce rules to put into effect the intent of sections 924.01 to 924.16 of the Revised Code;

(C) Determine the eligibility of producers to participate in referendums and other procedures that may be required to establish marketing programs for agricultural commodities.

**Sec. 924.08.** The director of agriculture shall monitor the actions of each operating committee to assure that:

(A) Each marketing program is self-supporting~~+~~.

(B) Each such committee keeps all records ~~which~~ that are required for agencies of the state~~+~~.

(C) All program operations are in accord with:

(1) The provisions of the marketing program;	72
(2) <del>Regulations</del> <u>Rules</u> adopted by the director;	73
(3) <del>Chapter 924.</del> <u>Sections 924.01 to 924.16</u> of the Revised Code.	74 75
(D) Administrative activities of each committee are coordinated with those of the department <u>of agriculture</u> .	76 77
<b>Sec. 924.09.</b> (A) Each operating committee may make assessments upon the marketable agricultural commodity for which the marketing program was established.	78 79 80
(B) No operating committee shall levy any assessment:	81
(1) That was not approved by the producers affected by the program;	82 83
(2) That exceeds two cents per bushel of corn, <u>or</u> soybeans, <del>or wheat,</del> or two per cent of the average market price of any other agricultural commodity during the preceding marketing year as defined for the commodity by the United States department of agriculture or, if there is no such definition, by the director <u>of agriculture</u> ;	84 85 86 87 88 89
(3) Against any producer who is not eligible to vote in a referendum for the marketing program that the operating committee administers.	90 91 92
(C) The director <del>of agriculture</del> may require a producer, processor, distributor, or handler of an agricultural commodity for which a marketing program has been established under sections 924.01 to 924.16 of the Revised Code to withhold assessments from any amounts that the producer, processor, distributor, or handler owes to producers of the commodity and, notwithstanding division (B)(3) of this section, to remit them to the director. Any processor, distributor, or handler who pays for any producer any assessment that is levied under authority of this section may	93 94 95 96 97 98 99 100 101

deduct the amount of the assessment from any moneys that the processor, distributor, or handler owes to the producer.

(D) No operating committee shall use any assessments that it levies for any political or legislative purpose, or for preferential treatment of one person to the detriment of any other person affected by the marketing program.

(E) The operating committee of each marketing program shall refund to a producer the assessments that it collects from the producer not later than sixty days after receipt of a valid application by the producer for a refund, provided that the producer complies with the procedures for a refund that were included in the program under division (B)(3) of section 924.04 of the Revised Code.

In the case of the state beef marketing program, in lieu of giving a refund to a producer, the director of the program's operating committee may forward the refund to the cattlemen's beef promotion and research board pursuant to the "Beef Promotion and Research Act," 99 Stat. 1597 (1985), 7 U.S.C.A. 2901, and amendments thereto, and shall credit that amount to the total amount owed by the producer to the federal beef program. Each application for a refund of assessments levied for a program established after April 10, 1985 shall be made on a form provided by the director of agriculture. Each operating committee for such a program shall ensure that refund forms are available where assessments for its program are withheld.

Sec. 924.20. As used in sections 924.20 to 924.30 of the Revised Code:

(A) "Grain" means wheat, barley, rye, or oats.

(B) "Handler" means a person who is in the business of agricultural commodity handling, as defined in section 926.01 of

the Revised Code, of grain. 132

(C) "Producer" means a person who is in the business of 133  
producing, or causing to be produced, grain for commercial sale. 134

(D) "Rule" means a rule adopted under section 924.25 of the 135  
Revised Code. 136

**Sec. 924.21.** There is hereby established a grain marketing 137  
program. The program shall be administered in accordance with 138  
sections 924.20 to 924.30 of the Revised Code and rules. 139

**Sec. 924.22.** (A) For the purposes of sections 924.20 to 140  
924.30 of the Revised Code, the director of agriculture shall hold 141  
an election to determine the membership of a grain marketing 142  
program operating committee in accordance with rules. The election 143  
shall be for nine members of the operating committee. 144

(B) Not later than one hundred twenty days after the 145  
effective date of this section, the director shall accept the 146  
names of persons as nominees to serve on the operating committee. 147  
In accepting nominations and placing names on the ballot, the 148  
director shall follow the procedures established in rules. 149

(C) Not later than one hundred eighty days after the 150  
effective date of this section, the director shall hold an 151  
election to determine the membership of the operating committee. 152  
In the election, eligible producers may cast votes in person at or 153  
mail ballots to polling places designated by the director. The 154  
director shall establish a three-day period during which eligible 155  
producers may vote in person during normal business hours at the 156  
designated polling places. The director or another appropriate 157  
person shall send a ballot by ordinary first-class mail to an 158  
eligible producer who requests one by calling the toll-free 159  
telephone number or submitting the ballot request form provided 160  
for in division (D) of this section, by calling one of the 161

designated polling places, or by any additional method that the 162  
director may provide. A ballot returned by mail is not valid if it 163  
is postmarked later than the third day of the election period 164  
established by the director. 165

(D) For the purposes of an election of members of the grain 166  
marketing program operating committee, the director shall cause a 167  
ballot request form to be published at least thirty days before 168  
the beginning of the election period established in accordance 169  
with division (C) of this section in at least two appropriate 170  
periodicals designated by the director and shall make the form 171  
available for reproduction to any interested group or association. 172  
The director also shall provide a toll-free telephone number that 173  
producers may call to request a ballot. 174

(E) Following the election of the initial members of the 175  
operating committee, the director shall hold subsequent elections 176  
in order to maintain the membership of the operating committee as 177  
provided in rules. The elections shall be held in the manner 178  
established in this section and rules for the election of initial 179  
members. 180

(F) Persons elected to the grain marketing program operating 181  
committee shall hold office in accordance with rules. 182

**Sec. 924.23.** (A) The grain marketing program operating 183  
committee shall hold at least one meeting per quarter each year. 184  
The members of the operating committee annually shall select 185  
officers, including a chairperson and a vice-chairperson. 186

(B) A majority of the members of the operating committee 187  
constitutes a quorum. A majority of concurring votes is required 188  
to pass a motion or approve any operating committee action. 189

(C) The director of agriculture, or the director's designee, 190  
is an ex-officio voting member of the operating committee. 191

(D) Each member of the operating committee, except the 192  
director or the director's designee, is entitled to actual and 193  
necessary travel and incidental expenses while attending meetings 194  
of the committee or while engaged in the performance of official 195  
responsibilities as a member of the committee. 196

(E) A member or employee of the operating committee is not 197  
civilly liable for any actions taken in good faith as a member or 198  
employee, as applicable, of the committee. 199

**Sec. 924.24.** (A) The grain marketing program operating 200  
committee shall do all of the following: 201

(1) Hire personnel and contract for services that are 202  
necessary for the operation of the grain marketing program; 203

(2) Promote the sale of grain for the purpose of maintaining 204  
and expanding present markets and creating new and larger 205  
intrastate, interstate, and foreign markets for grain, and inform 206  
the public of the uses and benefits of grain; 207

(3) Establish requirements and procedures for the collection 208  
of assessments that the operating committee is required to levy 209  
under section 924.26 of the Revised Code, including the method and 210  
frequency of collection; 211

(4) Establish procedures to be used by a person who wishes to 212  
file for a refund of the person's assessment that is levied under 213  
section 924.26 of the Revised Code; 214

(5) Perform all acts and exercise all powers incidental to, 215  
in connection with, or considered reasonably necessary, proper, or 216  
advisable to effectuate the purposes of sections 924.20 to 924.30 217  
of the Revised Code. 218

(B) The operating committee may do any or all of the 219  
following: 220

(1) Conduct, and contract with others to conduct, research, 221



including the study, analysis, dissemination, and accumulation of 222  
information obtained from the research or elsewhere, concerning 223  
the marketing and distribution of grain, the storage, processing, 224  
and transportation of grain, and the production and product 225  
development of grain; 226

(2) Provide the wholesale and retail grain trade with 227  
information relative to proper methods of handling and selling 228  
grain; 229

(3) Conduct, and contract with others to conduct, market 230  
surveys and analyses, undertake any other similar activities that 231  
it determines are appropriate for the maintenance and expansion of 232  
present markets and the creation of new and larger markets for 233  
grain, and enter into contracts, in the name of the committee, to 234  
render service in formulating and conducting plans and programs 235  
and other contracts or agreements that the committee considers 236  
necessary for the promotion of the sale of grain; 237

(4) Publish and distribute to producers and others 238  
information relating to the grain industry; 239

(5) Propose to the director of agriculture rules that are 240  
necessary for the exercise of its powers and the performance of 241  
its duties; 242

(6) Establish priorities and prepare and approve a budget 243  
consistent with estimated resources and the scope of the grain 244  
marketing program; 245

(7) Receive and investigate, or cause to be investigated, 246  
complaints concerning and violations of the grain marketing 247  
program. The operating committee shall refer any violations to the 248  
director for action under section 924.29 of the Revised Code. 249

**Sec. 924.25. (A) The director of agriculture shall monitor** 250  
**the activities of the grain marketing program operating committee** 251

<u>to ensure all of the following:</u>	252
<u>(1) The grain marketing program is self-supporting.</u>	253
<u>(2) The operating committee keeps all records that are required for agencies of the state.</u>	254 255
<u>(3) The program's operations comply with all of the following:</u>	256 257
<u>(a) The provisions of the program;</u>	258
<u>(b) Rules;</u>	259
<u>(c) Sections 924.20 to 924.30 of the Revised Code.</u>	260
<u>(4) Administrative activities of the committee are coordinated with those of the department of agriculture.</u>	261 262
<u>(B) Not later than ninety days after the effective date of this section, the director shall adopt rules in accordance with Chapter 119. of the Revised Code that are necessary to carry out the purposes of sections 924.20 to 924.30 of the Revised Code. The rules shall include all of the following:</u>	263 264 265 266 267
<u>(1) Deadlines and nomination procedures for the placement of persons on the ballot for election to the grain marketing program operating committee;</u>	268 269 270
<u>(2) The terms of office of members of the operating committee, including the staggering of terms for the initial members;</u>	271 272 273
<u>(3) Insofar as possible, requirements providing for the equitable distribution of members on the operating committee by geographic and production areas of the state.</u>	274 275 276
<u>Sec. 924.26. (A) The grain marketing program operating committee shall levy on producers and, as provided in division (B) of this section, handlers the following assessments, as applicable:</u>	277 278 279 280

(1) One-half of one per cent of the per-bushel price of wheat 281  
at the first point of sale; 282

(2) One-half of one per cent of the per-bushel price of 283  
barley at the first point of sale; 284

(3) One-half of one per cent of the per-bushel price of rye 285  
at the first point of sale; 286

(4) One-half of one per cent of the per-bushel price of oats 287  
at the first point of sale. 288

(B) The director may require a handler to withhold 289  
assessments from any amounts that the handler owes to producers 290  
and to remit them to the director. A handler who pays for a 291  
producer an assessment that is levied under this section may 292  
deduct the amount of the assessment from any money that the 293  
handler owes to the producer. 294

(C) The operating committee shall deposit all money collected 295  
under this section with a bank or savings and loan association as 296  
defined in sections 1101.01 and 1151.01 of the Revised Code. All 297  
money so collected and deposited shall be used only for defraying 298  
the costs of administration of the marketing program and for 299  
carrying out sections 924.20 to 924.30 of the Revised Code. The 300  
operating committee shall not use any assessments that it levies 301  
for any political or legislative purpose or for preferential 302  
treatment of one person to the detriment of any other person 303  
affected by the grain marketing program. 304

(D) The operating committee shall refund to a producer the 305  
assessments that it collects from the producer not later than 306  
thirty days after receipt of a valid application by the producer 307  
for a refund, provided that the producer complies with the 308  
procedures for a refund established by the committee under section 309  
924.24 of the Revised Code. 310

An application for a refund shall be made on a form provided 311

by the director. The operating committee shall ensure that refund 312  
forms are available where assessments for the grain marketing 313  
program are collected. 314

Sec. 924.27. (A) The grain marketing program operating 315  
committee shall establish a fiscal year for the grain marketing 316  
program. Within sixty days of the end of each fiscal year, the 317  
operating committee shall publish an activity and financial report 318  
and make the report available to each producer who pays the 319  
assessment levied under section 924.26 of the Revised Code or 320  
otherwise contributes to the program and to other interested 321  
persons. 322

(B) In addition to the reports required by division (A) of 323  
this section, the operating committee shall submit to the director 324  
of agriculture both of the following: 325

(1) An annual financial statement prepared by a certified 326  
public accountant holding a permit issued by the accountancy board 327  
under Chapter 4701. of the Revised Code. The operating committee 328  
shall file the financial statement with the director not more than 329  
sixty days after the end of each fiscal year. 330

(2) A monthly unaudited financial statement. 331

Sec. 924.28. The grain marketing program may be suspended or 332  
terminated in the same manner in which other marketing programs 333  
are suspended or terminated under sections 924.12 and 924.13 of 334  
the Revised Code. 335

Sec. 924.29. The director of agriculture may institute an 336  
action at law or in equity that appears necessary to enforce 337  
compliance with sections 924.20 to 924.30 of the Revised Code, 338  
rules, or the grain marketing program that is established in 339  
compliance with those sections and rules. 340

Sec. 924.30. (A) No person shall knowingly fail or refuse to withhold or remit an assessment levied under section 924.26 of the Revised Code. 341  
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(B) Before instituting an enforcement action for a violation of this section, the director of agriculture shall give the alleged violator an opportunity to present the alleged violator's views to the director as to why the action should not be instituted. 344  
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Sec. 924.99. Whoever violates division (A) of section 924.16 or of section 924.30 of the Revised Code is guilty of a misdemeanor of the fourth degree. 349  
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Sec. 3717.53. (A) As used in this section: 352

(1) "Food nutrition information" includes the caloric, fat, carbohydrate, cholesterol, fiber, sugar, potassium, protein, vitamin, mineral, and sodium content of food. 353  
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(2) "Political subdivision" and "local legislation" have the same meanings as in section 905.501 of the Revised Code. 356  
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(B) The director of agriculture has sole and exclusive authority in this state to regulate the provision of food nutrition information at food service operations. The director may adopt rules for that purpose in accordance with Chapter 119. of the Revised Code, including rules that establish a schedule of civil penalties for violations of this section and rules adopted under it. Subject to the approval of the joint committee on agency rule review, portions of the rules may be adopted by referencing all or any part of any federal regulations pertaining to the provision of food nutrition information. 358  
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The regulation of the provision of food nutrition information at food service operations is a matter of general statewide 368  
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interest that requires statewide regulation, and rules adopted 370  
under this section constitute a comprehensive plan with respect to 371  
all aspects of the regulation of the provision of food nutrition 372  
information at food service operations in this state. Rules 373  
adopted under this section shall be applied uniformly throughout 374  
this state. 375

(C) No political subdivision shall enact, adopt, or continue 376  
in effect local legislation relating to the provision of food 377  
nutrition information at food service operations. 378

**Section 2.** That existing sections 924.01, 924.02, 924.08, 379  
924.09, and 924.99 of the Revised Code are hereby repealed. 380

**Section 3.** In fiscal year 2009, up to \$200,000 from a 381  
non-General Revenue Fund source to be determined by the Director 382  
of Development, shall be used for the Ohio BioProducts Innovation 383  
Center to conduct a material flow study, which shall examine 384  
biobased resources in Ohio and the flow of materials through the 385  
chain of harvesting, refining, and production of a commercialized 386  
product; and up to \$350,000 from a non-General Revenue Fund source 387  
to be determined by the Director of Development shall be used for 388  
the Ohio BioProducts Innovation Center to conduct a 389  
techno-economic analysis to determine the economic feasibility of 390  
using bioderived chemicals over petroleum-derived or other types 391  
of chemicals in the polymer industry. 392

**Section 4.** The sections of law contained in Sections 3 and 4 394  
of this act, and the items of which they are composed, are not 395  
subject to the referendum. Therefore, under Ohio Constitution, 396  
Article II, Section 1d and section 1.471 of the Revised Code, the 397  
sections of law contained in Sections 3 and 4 of this act and the 398  
items of which they are composed go into immediate effect when 399

this act becomes law.

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