

House Bill 3387

Sponsored by Representatives WHITSETT, WEIDNER; Representatives BARNHART, BENTZ, CAMERON, CLEM, CONGER, ESQUIVEL, FREEMAN, GILLIAM, GOMBERG, HOLVEY, HOYLE, HUFFMAN, JENSON, JOHNSON, KENNEMER, KOMP, OLSON, THOMPSON, WHISNANT, WITT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Changes basis and permissible scope of assessments by Oregon Sheep Commission.

A BILL FOR AN ACT

1
2 Relating to Oregon Sheep Commission assessments; creating new provisions; and amending ORS
3 576.325.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 576.325 is amended to read:

6 576.325. (1) As used in this section, "industry average unit price" means the average unit price
7 for the raw commodity within the industry. Unless provided otherwise, "industry average unit
8 price" includes prices that are calculated using a one-year, two-year or three-year average and data
9 from the most recent complete year or years preceding the year of determination.

10 (2)(a) A commodity commission may assess, levy and collect an assessment, the amount of which
11 the commission shall determine, on all units or animals of the commodity grown or produced in this
12 state, or procured from this state's rivers or the offshore waters, but not the Columbia River, for
13 handling within this state, and sold in commercial channels. A commission may not apply an as-
14 sessment to a transaction that occurred prior to the effective date of the commission rule adopting
15 the assessment.

16 (b) A commission may assess, levy and collect a differential assessment, the amount of which the
17 commission shall determine, based on the intended use, type or variety of the commodity.

18 (c) All casual sales of the commodity made by the producer direct to the consumer are exempt
19 from the assessment.

20 (d) A commission may, by rule, define and regulate handling, processing and casual sales.

21 (3) The amount of the assessment provided for in subsection (2) of this section is limited as fol-
22 lows:

23 (a) If a commission assesses on a unit basis, the assessment may not exceed one and one-half
24 percent of the industry average unit price. The commission may determine the industry average unit
25 price by considering data and estimates of the United States Department of Agriculture, Oregon
26 State University or other reliable sources.

27 (b) If a commission assesses on a percentage of dollar value basis, the assessment may not ex-
28 ceed one and one-half percent of the dollar value received by a producer for the raw commodity. If
29 the dollar value received by a producer is not otherwise determinable, the commission may establish
30 the dollar value based on the industry average unit price for that year for the raw commodity.

31 (4) Notwithstanding subsection (3) of this section:

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 (a) The maximum assessment by the Oregon Clover Seed Commission may not exceed one and
 2 one-half percent of the industry average unit price for products within the same market category,
 3 if assessed on a unit basis.

4 (b) The maximum assessments by the Oregon Albacore Commission, the Oregon Orchardgrass
 5 Seed Producers Commission and the Oregon Tall Fescue Commission may not exceed three percent
 6 of the industry average unit price if assessed on a unit basis or three percent of the value received
 7 by a producer for the raw commodity if assessed on a percentage of dollar value basis.

8 (c) The maximum assessment by the Oregon Sweet Cherry Commission for fresh, brined, canned
 9 and frozen cherries may not exceed four percent of the respective industry average unit prices for
 10 fresh, brined, canned and frozen cherries if assessed on a unit basis.

11 (d) The maximum assessment by the Oregon Processed Vegetable Commission on a commodity
 12 may not exceed 0.5 percent of the industry average unit price for that commodity if assessed on a
 13 unit basis or 0.5 percent of the dollar value received by a producer for the commodity if assessed
 14 on a percentage of dollar value basis.

15 (e) The maximum assessment by the Oregon Hop Commission may not exceed two percent of the
 16 industry average unit price if assessed on a unit basis.

17 *[(f) The maximum assessment by the Oregon Sheep Commission may not exceed five cents per*
 18 *pound on all wool, in the grease basis, sold through commercial channels. The commission may not*
 19 *adopt an assessment that is more than one-half cent per pound of wool, in the grease basis, above the*
 20 *assessment for the previous year.]*

21 **(f) The assessment by the Oregon Sheep Commission may not be less than _____**
 22 **or more than \$1 per head. The commission may not increase the assessment by more than**
 23 **_____ during any 12-month period. Notwithstanding subsection (2) of this section, the**
 24 **commission may levy the assessment on any sheep produced and sold in this state regardless**
 25 **of the disposition of the sheep and regardless of whether the sale is a casual sale. This par-**
 26 **agraph does not allow the commission to apply an assessment to a transaction that occurs**
 27 **prior to the effective date of the rule adopting the assessment.**

28 (5) A commission shall assess and levy an assessment under subsections (2) to (4) of this section
 29 to the producer at the time and in the manner provided by the commission by rule. The commission
 30 is the owner of a collected assessment. A person who collects an assessment holds the assessment
 31 in trust for the benefit of the commission and the state and shall remit the assessment in the time
 32 and manner required by the commission under ORS 576.335.

33 (6) Notwithstanding subsection (5) of this section, a commission may assess, levy and collect an
 34 assessment from a first purchaser at the time and in the manner provided by the commission by rule.
 35 Except as provided in subsection (8) of this section, the assessment may not exceed the limits de-
 36 scribed in subsections (3) and (4) of this section.

37 (7) A regional commission may assess, levy and collect an assessment only on the commodity
 38 produced in the counties in which the regional commission functions.

39 (8) Notwithstanding subsections (3) and (4) of this section, a commodity commission may assess,
 40 levy and collect an assessment in excess of the limits described in subsections (3) and (4) of this
 41 section pursuant to a federal marketing order or agreement.

42 (9) A person who believes that the amount of an assessment is incorrect may apply to the
 43 commission for a refund not later than 60 days after the person pays the assessment.

44 **SECTION 2. (1) Notwithstanding the amendments to ORS 576.325 by section 1 of this 2013**
 45 **Act, the Oregon Sheep Commission assessments in effect immediately prior to the effective**

1 **date of this 2013 Act shall continue to be levied on all wool produced in this state and sold**
2 **in commercial channels until the earlier of:**

3 **(a) Ninety days after the effective date of this 2013 Act; or**

4 **(b) The effective date of the first rule adopted by the commission on or after the effective**
5 **date of this 2013 Act establishing an assessment.**

6 **(2) The limitation on assessment increases within a 12-month period under ORS 576.325**
7 **(4)(f) does not apply for purposes of limiting the first assessment adopted by the commission**
8 **on or after the effective date of this 2013 Act.**

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