

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 702
Second Edition Engrossed 5/11/89

Short Title: Tobacco Assessment Changes.

(Public)

Sponsors: Senators Speed; Basnight, Daniel, Goldston, Guy, Martin of Pitt, Martin of Guilford, Murphy, Parnell, Sherron, Soles, and Taft.

Referred to: Agriculture.

March 30, 1989

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE AMOUNT OF THE ASSESSMENT THAT CAN BE
LEVIED FOR THE PROMOTION OF THE SALE AND USE OF TOBACCO
AND TO CLARIFY OTHER PROVISIONS RELATING TO TOBACCO
ASSESSMENTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 106-568.20 reads as rewritten:

"§ 106-568.20. Referendum on assessment for next three years.

During the year ~~1988 or 1989~~ or 1990 upon the exact date in such year as may be determined in the manner hereinafter set forth and under rules and regulations as established under the provisions of this Article, there shall be held in every county in North Carolina in which flue-cured tobacco is produced a referendum to be participated in by all farmers engaged in the production of flue-cured tobacco in which referendum said farmers shall vote upon the question of whether or not there shall be levied an annual assessment for a period of three years 1989, 1990 and 1991, or 1990, 1991, and 1992, such amount as may have been theretofore or as may be thereafter determined by the Board of Directors of Tobacco Associates, Inc., but not more than ~~two dollars (\$2.00)~~ four dollars (\$4.00) per acre per year on all flue-cured tobacco acreage in the State of North Carolina. Those farmers entitled to share in the crop of flue-cured tobacco or in the proceeds of such crop because of sharing in the risk of production shall be deemed to be engaged in the production of such tobacco."

Sec. 2. G.S. 106-568.22 reads as rewritten:

1 **"§ 106-568.22. Effect of two-thirds vote for assessment in referendum.**

2 If in such referendum two-thirds or more of the eligible tobacco farmers voting
3 therein shall vote in the affirmative and in favor of the levying or collection of such
4 assessment to be determined by the board of directors of Tobacco Associates,
5 Incorporated, but in an amount of not more than ~~two dollars (\$2.00)~~ four dollars (\$4.00)
6 per acre per year on all flue-cured tobacco acreage in the State of North Carolina, then
7 such assessment shall be collected in the manner hereinafter provided."

8 Sec. 3. G.S. 106-568.25 reads as rewritten:

9 **"§ 106-568.25. Question at referendum.**

10 Said referendum shall be upon the question of whether or not the farmers eligible for
11 participation therein and voting therein shall favor an assessment upon themselves for
12 the period of ~~three years, 1989, 1990 and 1991,~~ the next three tobacco marketing years, in
13 an amount in each of said years as determined by or to be determined by the board of
14 directors of Tobacco Associates, Incorporated but not more than ~~two dollars (\$2.00)~~ four
15 dollars (\$4.00) per acre per year on all flue-cured tobacco acreage in the State of North
16 Carolina, for the purpose of providing farmer participation in the fund and through the
17 agency established for the stimulation, expansion and development of export markets
18 for flue-cured tobacco and the encouragement of the use of flue-cured tobacco
19 everywhere."

20 Sec. 4. G.S. 106-568.29 reads as rewritten:

21 **"§ 106-568.29. Subsequent referendum after defeat of assessment.**

22 In the event any referendum conducted as provided for in this Article shall not be
23 supported by two-thirds or more of those voting therein, then the board of directors of
24 Tobacco Associates, Incorporated shall have full power and authority to call another
25 referendum for the purposes herein set forth in any succeeding year, on the question of
26 an annual assessment for the next three tobacco marketing years or less. If the
27 referendum is carried as provided in this Article, then the assessments may be levied
28 and collected as provided in this Article."

29 Sec. 5. G.S. 106-568.34 reads as rewritten:

30 **"§ 106-568.34. Alternate method for levy of assessment.**

31 At any time when it may be found by the Board of Directors of Tobacco Associates,
32 that it is not reasonably feasible to base the authorization of an assessment or the
33 making of an assessment or the collection of an assessment on a 'per-acre' unit, then the
34 Board of Directors of Tobacco Associates, by an affirmative vote of not less than two
35 thirds of its members (which vote shall include the affirmative vote of not less than two
36 thirds of the board members who were elected by North Carolina farm organizations),
37 may use a 'tobacco poundage' unit as the basis for the authorization or making or
38 collecting an assessment. No alternative assessment for any year after ~~1979-1988~~ shall
39 exceed ~~ten cents (10¢) per 100 pounds~~ one-fifth cent (1/5¢) per pound of the flue-cured
40 tobacco marketed by each farmer. The amount of any alternate assessment, based upon
41 a 'tobacco poundage' unit as permitted by the provisions of this section shall not be
42 related to or limited by the amount of the assessment which could be authorized, made
43 or collected if it were based upon a 'per-acre' unit."

44 Sec. 6. G.S. 106-568.36 reads as rewritten:

1 **"§ 106-568.36. Maximum levy after 1979-1988.**

2 The maximum amount which may be authorized in any referendum held pursuant to
3 the provisions of this Article during 1979-1989 or thereafter, and the maximum amount
4 which may be assessed, collected or levied for any year after 1979-1988 by the Board of
5 Directors of Tobacco Associates pursuant to the provisions of this Article, is ~~two dollars~~
6 ~~(\$2.00)~~ four dollars (\$4.00) per acre per year on all flue-cured tobacco acreage in the
7 State, or, under the alternate method for levy of assessment set out in G.S. 106-568.34,
8 ~~ten cents (10¢) per 100 pounds~~ one-fifth cent (1/5¢) per pound of the flue-cured tobacco
9 marketed by each farmer."

10 Sec. 7. Article 50C of Chapter 106 of the General Statutes is amended by
11 adding a new section to read:

12 **"§ 106-568.37. Report on use of assessments.**

13 The Board of Directors of the Tobacco Associates, Incorporated shall make an
14 annual written report of the financial transactions and a financial statement concerning
15 the receipts and disbursements of the revenue from the assessment. A copy of the report
16 shall be provided by the Board of Directors of the Tobacco Associates, Incorporated to
17 the Commissioner of Agriculture, the Dean of the College of Agriculture and Life
18 Sciences at North Carolina State University, the North Carolina Farm Bureau
19 Federation, the North Carolina State Grange, and the Bright Belt Warehouse
20 Association."

21 Sec. 8. This act is effective upon ratification.