



# HOUSE BILL 816: Tobacco Growers Assessment Act

2013-2014 General Assembly

**Committee:** Senate Finance  
**Introduced by:** Rep. Langdon  
**Analysis of:** Third Edition

**Date:** June 26, 2013  
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**SUMMARY:** *Bill 816 would authorize the Tobacco Growers Association of North Carolina, Inc., (Association) to conduct a referendum and to assess tobacco marketed in the State. The Association would use the funds to promote the interests of tobacco growers. The maximum assessment would be 15¢ for each 100 pounds of tobacco marketed in this State and would be in addition to existing assessments for export sales of tobacco (Article 50C of Chapter 106) and tobacco research (Article 50A of Chapter 106).*

**CURRENT LAW AND BILL ANALYSIS:** Section 1 of the bill would authorize the Tobacco Growers Association of North Carolina, Inc., (Association) to conduct a referendum and to assess tobacco marketed in the State. The Association would use the funds to promote the interests of tobacco growers. A "tobacco grower" is defined as a North Carolina resident who owns, manages, or has a financial interest in tobacco production and who is actively involved in tobacco production. All tobacco growers may vote in the referendum.

The assessment would only be collected if two-thirds of the votes cast in the referendum are in favor of the assessment. The referendum would be conducted by mail, and the Department of Agriculture and Consumer Services (Department) would count the votes and report the results of the referendum. This assessment would operate in addition to the existing assessments authorized by Article 50A (10¢ per 100 pounds of tobacco marketed to provide funds for research and dissemination of research facts concerning tobacco) and Article 50C (\$4 per acre per year on all flue-cured tobacco in the State for the promotion of the export trade of flue-cured tobacco) of Chapter 106 of the General Statutes. The amount of the assessment may not exceed 15¢ per 100 pounds of tobacco marketed in the State. If the Association sets a lower amount than the amount approved by referendum, the Association may increase the amount by no more than 1¢ annually without a referendum, but the increased rate may not exceed the amount approved by referendum.

If 10% of the tobacco growers in the State petition the Department to end the assessment, the Association must conduct another referendum within 6 months of the receipt of the petition to determine whether to continue the assessment. If a majority of the votes in the referendum are against the assessment, then the assessment expires at the end of the 6-month period. If a majority of votes in the referendum are in favor of continuing the assessment, another referendum cannot be held for at least 3 years.

**EFFECTIVE DATE:** This act would be effective when it becomes law, and the Association would be permitted to conduct a referendum at any time after the effective date.

