

**CALIFORNIA RICE COMMISSION
ASSESSMENT COLLECTION PROCEDURES**

Pursuant to California Food and Agricultural Code Section 71071, the Commission hereby adopts the following procedures:

1. The Commission shall establish the assessment for each marketing season not later than September 1 of each year or as soon thereafter as is possible. The assessment shall not exceed ten cents (\$0.10) per hundredweight for rice delivered to handlers by producers. Of the assessment, not more than five cents (\$0.05) per hundredweight shall be assessed against producers. The assessment rate shall be the same for handlers and producers.

2. Every person who handles rice in any quantity shall keep a complete and accurate record of all transactions involving the purchase or sale of rice. The records shall be in a simple form and contain the information prescribed by the Commission. The records shall be preserved by the handler for a period of three years and shall be offered and submitted for inspection and audit at any reasonable time upon written demand of the Commission or its duly authorized agent.

3. Any assessment levied pursuant to Commission law is a personal debt of every person assessed.

4. Only the first handler of rice is subject to the handler assessment and shall deduct the producer assessment from amounts paid by him or her to the producer and shall be a trustee of these assessments and assessments required to be paid by the handler until they are paid to the Commission. Title to the assessments shall pass immediately to the Commission and handlers shall hold the assessments in trust for the benefit of the Commission and shall remit them in a timely manner along with

assessment reports. All first handlers, without regard to the volume handled, shall deduct and remit the producer assessment. Failure to collect the assessment from any producer shall not exempt the handler from liability. In addition, failure of a handler to remit the collected producer assessments to the commission shall not relieve the producer of this obligation.

If rice is forfeited under a loan from the Commodity Credit Corporation, the handler shall pay both the producer and handler assessments if the rice is contracted to the handler. If the handler's total volume for the marketing season is less than 100,000 hundredweight, only the producer assessment shall apply. If the rice forfeited under a loan from the Commodity Credit Corporation is not contracted to a handler, the producer shall pay both the handler and producer assessments. If the total volume handled by the producer during the marketing season is less than 100,000 hundredweight, only the producer assessment shall apply.

For purposes of these procedures, the term "first handler of rice" is the first handler to take title to the rice from the producer.

5. The Commission will contact all known handlers on an annual basis regarding their obligations under Commission law, and provide each handler with a copy of these procedures.

6. Blank assessment report forms will be mailed to each handler on a monthly basis.

7. Completed assessment form(s) and payment must be received from handlers at the Commission office (or postmarked) by the 20th day after the close of the month for which the report and payment apply.

8. A handler who has not provided the required assessment forms and/or payment by the due date will be sent a written notice within five (5) working days past the due date via facsimile ("first notice") reminding them to provide the forms and/or payment, and notifying them that a 10% penalty will attach and interest will begin to

accrue on the first day of the next month if reports and/or payments are not received by the last day of the month.

9. A handler who fails to respond to the Commission's first notice will be sent a second notice via certified mail, return receipt requested, in which the Commission demands reports and/or payments from the handler by a date not more than 30 days from the date of the second notice. The second notice will notify the handler that the 10% penalty has attached, interest is accruing, and failure to respond to the second notice will result in referral of the matter to the Commission's legal counsel.

10. Matters referred to legal counsel will result in a Notice of Intent to Take Action letter being sent by legal counsel to the handler via certified mail, return receipt requested, which gives the handler 15 days in which to provide forms and/or pay assessments, as applicable.

11. If no satisfactory response is received from the handler during the 15 day notice period, a summons and complaint will be drafted and filed with the appropriate Superior Court.

12. The handler has 30 days after service of the complaint in which to respond.

13. If the handler responds to the complaint, it will take approximately six to twelve months to reach trial. During that time, all reasonable efforts will be made to settle the litigation.

14. If the handler does not respond to the complaint, a request for entry of default will be filed with the court.

15. Upon a favorable judgment for the Commission, the Commission shall be entitled to recover its reasonable attorney's fees and other actual related costs.

16. Once a judgment is obtained by trial or default, collection and enforcement efforts will begin.

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