

STATE OF CALIFORNIA
DEPARTMENT OF FOOD AND AGRICULTURE
MARKETING BRANCH



CALIFORNIA BEEF COUNCIL LAW

CHAPTER 2, PART 2 OF DIVISION 22 OF THE
CALIFORNIA FOOD AND AGRICULTURAL CODE

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CALIFORNIA BEEF COUNCIL LAW

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Article 1. Short Title and Definitions

64501. This chapter shall be known as the "California Beef Council Law."

64502. Unless the context otherwise requires, the definitions in this article govern the construction of this chapter.

64503. "**Beef**" includes veal.

64504. "**Beef products**" includes veal products.

64505. "**Council**" means the California Beef Council.

64506. "**Person**" means an individual, corporation, partnership, limited liability company, trust, association, cooperative association, and any other business unit or organization.

64507. "**Producer**" means any person that is engaged in the business of raising, breeding, feeding, or growing cattle or calves for dairy production or for beef production.

Article 2. General Provisions

64531. It is hereby declared, as a matter of legislative determination, that the provisions of this chapter are enacted in the exercise of the power of this state for the purposes of protecting and furthering the public health and welfare. It is further declared that the cattle industry of this state is affected with a public interest, in that, among other things:

(a) The production, processing, manufacture, and distribution of beef and beef products constitute a paramount industry of this state which not only provides substantial and required revenues for the state and its political subdivisions, and employment and a means of livelihood for many thousands of its population, but also furnishes essential foods that are vital to the public health and welfare.

(b) The stabilization, maintenance, and expansion of the cattle industry of California, and of the state, nationwide, and foreign markets for its products are necessary to assure the consuming public an adequate supply of foods which are indispensable in a proper human diet, to protect, for the state and its political subdivisions, a necessary source of tax revenue, to provide and maintain an adequate standard of living for a great segment of the population of this state, to maintain proper wage scales for those engaged in the cattle industry, and to maintain existing employment.

(c) The essentiality of beef and beef products in a proper human nutrition and to the maintenance of a high level of public health is such as to require that the public be made thoroughly aware thereof, and be protected against misrepresentation and deception, by the dissemination of accurate and scientific information relative to the healthful qualities of beef and beef products, their various classifications and the food values and industrial and medicinal uses thereof, the methods, care and precautions necessary to their proper production, processing, manufacture, and distribution, and the necessary costs and expenses thereof, and the necessity and desirability on the part of the public of using and consuming beef and beef products of the highest standards of quality.

64532. The purposes of this chapter are as follows:

(a) To enable the cattle industry, with the aid of the state, to develop, maintain, and expand the state, nationwide, and foreign markets for beef and beef products produced, processed, manufactured, sold, or distributed in this state, for human consumption, and the use and consumption of these beef and beef products in those markets.

(b) In aid, but not in limitation, of the purpose in subdivision (a), to authorize and enable the director to formulate and effectuate, directly or in cooperation with other agencies and instrumentalities which are specified in this chapter, research relating to the nutritional qualities of beef and beef products and public consumption patterns and

trends, and sales stimulation and consumer, or other, educational programs designed to increase the use and consumption of beef and beef products for human consumption.

(c) To provide funds for the administration and enforcement of this chapter by mandatory fees to be collected in the manner which is prescribed in this chapter, unless producers elect to provide those funds through voluntary contributions pursuant to Article 7 (commencing with Section 64671).

64533. This chapter shall be liberally construed. If any section, sentence, clause, or part of this chapter is, for any reason, held to be unconstitutional or invalid, such decision does not affect the remaining portion of this chapter but such unconstitutional or invalid provision is separable from the valid parts of this chapter.

64534. Any violation of this chapter is a misdemeanor.

Article 3. Administration

64561. The director shall administer and enforce the provisions of this chapter, and may exercise any of the administrative powers which are conferred by Sections 11180 to 11191, inclusive, of the Government Code upon a head of a department. In order to effectuate the declared purposes of this chapter, the director may contract to carry out the declared intent and purposes of this chapter.

64562. Upon recommendations by the council the director may establish consistent with this chapter such regulations which cover the administration and enforcement of this chapter as may be necessary to carry out the purposes and attain the objectives of this chapter.

64563. Upon the issuance of any regulations that affect this chapter, a copy of the regulations shall be posted on the department's Internet Web site. A copy of the regulations shall also be published in a newspaper of general circulation published in Sacramento, California, and in any other newspaper that the secretary may prescribe. No regulation shall become effective until five days after the date of the posting and publication. The secretary shall mail a copy of the notice of the issuance of the regulations to every person that is directly affected by the regulations whose name and address may be on file in the office of the secretary and to every person who files in the office of the secretary a written request for the notice.

[Amended by AB 3260, Stats. 2018, Chapter 223, effective January 1, 2019]

64564. The director may purchase general liability insurance for the council subject to the provisions of this chapter in an amount he or she determines as necessary. The cost of the insurance shall be paid by the council. The insurance policy shall name the director, in his or her official capacity, and the council as insured parties for claims made against the council in its advisory capacity to the director or against the director regarding the activities of the council. The director, after consultation with the Attorney General, may refer claims to the insurance carrier for appropriate action. In the alternative, the director may require that claims be handled in the manner otherwise specified in this chapter.

Article 4. California Beef Council

64591. There is in the state government the California Beef Council which consists of 20 members and 20 alternates, all of whom shall be citizens and residents of this state and producers, packers, or processors.

The secretary shall appoint to the council six range cattlemen, six cattle feeders, and six dairymen nominated as producers and two packers or processors as hereinafter provided for, giving due regard to proper geographic distribution. This requirement shall not, however, operate to remove from office any member of the council. Subject to the provisions of this section and of Section 64592, present members of the council shall be eligible for reappointment.

64591.1. Notwithstanding other provisions of this article, the director shall, with or without nominations, appoint one member and one alternate member to the council to represent the general public, in addition to the 20 members of the council otherwise provided for. Such persons shall not be affiliated in any way with the production or marketing of beef and shall have all of the rights and privileges, including voting, of any other member or alternate member of the council. The regular term of office of any member or respective alternate member appointed pursuant to this section shall be as close as possible to three full years and shall terminate on December 31 of the year which will provide for more than two but not more than three full years in office.

64592. The terms of office of the members and alternates of the council shall be three years, except as provided in this section. The first appointments made under this chapter shall be so made that the terms of six members and their alternates shall expire at the end of one year, six members and their alternates shall expire at the end of two years, and seven members and their alternates shall expire at the end of three years. However, the terms of the first members and alternates appointed from slaughterers pursuant to amendments made to this section during the 1973 portion of the 1973-74 Regular Session of the Legislature shall be for three years.

Any vacancy which occurs during the unexpired term shall be filled by the director for the unexpired term from the eligible nominees. No council member or alternate shall serve more than two consecutive three-year terms. Service as an alternate does not disqualify a person to then serve two such terms as a member, and a member who was appointed for a one- or two-year term may serve two additional three-year terms.

The director may remove any member of the council or alternate for cause and upon such removal there is a vacancy which shall be filled in the manner as provided for the unexpired term.

64593. With or without recommendations or other nominations from the council or otherwise, during September and October of each year, the secretary may, if deemed appropriate or necessary by him or her, provide notice of, and hold, producer nomination meeting or meetings or may prepare and mail nomination forms to producers, for the purpose of receiving nominations for producer membership on the council. When nomination forms are mailed, the secretary shall utilize existing department lists of producers, packers, or processors. The secretary may also provide notice of, and hold, packer or processor nomination meeting or meetings or otherwise receive nominations for packers or processors, as deemed appropriate by him or her, including, but not necessarily limited to, nominations received by mailing similar nomination forms to the packers or processors on existing department lists. Notwithstanding other provisions of this section, the secretary may, whenever and in any manner deemed necessary and appropriate by him or her, obtain nominations of producers, packers, or processors for membership on the council.

64595. Press releases or other notice of nomination procedures, when conducted by mail, shall indicate that nominations shall be mailed to the director at his office in Sacramento and that the director will consider all nominations received by mail, within the time designated by him. Nominations by mail shall set forth (1) the name and address of each nominee, (2) whether each nominee is being nominated as a member or alternate member, (3) the type of producer (dairy, feeder, or range cattle) of each nominee, or, if a nominee is a slaughterer, that fact, and (4) the signature and address of the nominator.

64596. A majority of the members of the council shall constitute a quorum for the transaction of all business, including the election of officers.

64598. The council shall select annually from its number, to serve at its pleasure, a chairman and vice chairman who, together with five other members selected annually by the council, shall constitute the executive committee of the council. The executive committee shall have and exercise such powers of the council as the council may delegate to it.

64599. The council shall have two regular meetings in each year at times and places which are fixed by the council. The times for regular meetings shall be fixed so that there is an interval of at least four calendar months between such meetings. The council may meet in special meetings at any time and place at the call of the chairman or upon the written request of five members of the council. The executive committee shall have two regular meetings each year at times and places which are fixed by it, and may meet in special meetings at any time and place at the call of the chairman or on call of a majority of the members of the executive committee.

64600. The members of the council shall be reimbursed for necessary traveling and other expenses incurred in the performance of their official duties.

64601. No member of the council shall receive compensation.

64602. The director may require any employee or agent of the council to give a fidelity bond, executed by a surety company which is authorized to do business in this state, in favor of the director, in such sum, and containing such terms and conditions, as the director may prescribe. The cost of all such fidelity bonds of employees or agents of the council shall be paid from the funds which are collected pursuant to this chapter.

64603. No member or employee of the council shall be held responsible individually to any person for liability on any contract or agreement of the council. All salaries, expenses, costs, obligations, and liabilities which arise out of the administration and enforcement of this chapter are payable only from funds which are collected pursuant to the provisions of this chapter.

64604. An alternate member of the council shall sit as a regular member of the council if the member for whom he is an alternate fails for any reason to attend any meeting of the council. He shall be compensated and reimbursed in the same manner and to the same extent as a regular member when so serving and when so serving has all the powers, duties, liabilities, and immunities of the member in whose place he is serving, except that the alternate to the chairman or vice chairman shall not succeed to the functions of these offices.

64605. It is hereby declared, as a matter of legislative determination, that producers, packers, or processors appointed to the council pursuant to this article are intended to represent and further the interest of a particular agricultural industry concerned, and that such representation and furtherance is intended to serve the public interest. Accordingly, the Legislature finds that, with respect to persons who are appointed to such council, the particular agricultural industry concerned is tantamount to, and constitutes, the public generally within the meaning of Section 87103 of the Government Code.

Article 5. Powers and Duties

64631. The duties of the council shall be advisory, except as to those duties which may be delegated to it by the director. The council may, subject to the approval of the director, exercise any of the following powers which may be delegated to the council by the director:

(a) To recommend to the director administrative regulations which relate to the administration and enforcement of this chapter.

(b) To investigate all matters which affect the administration of this chapter, and to report violations of it to the director.

(c) To employ and, at its pleasure, discharge a manager and such clerical help and other employees as it deems necessary, and to prescribe their duties and powers and fix their compensation.

(d) To contract with, or employ, and, at its pleasure, discharge such other persons as it deems necessary, and in the cases of such of them as it shall employ, to outline their powers and duties and fix their compensation.

(e) To establish offices, and incur expenses incidental thereto.

(f) To make such contracts and other agreements as may be proper to promote the sale of beef and beef products on either a local, state, national, or international basis.

(g) To cooperate with any other local, state, or national commission, organization, or agency, whether voluntary or created by state or federal law, and engaged in work or activities similar to the work and activities of the council, and recommend to the director the making of contracts and agreements with such organizations or agencies for carrying on joint programs of education, research, publicity, and advertising. In matters of research, however, the council shall cooperate with organizations of recognized professional standing which are adequately equipped with facilities for the research which is contemplated.

(h) To recommend to the director the institution and promotion of scientific research to develop or discover, or both, the health, food, therapeutic, dietetic, industrial, or other uses of beef and its products.

(i) To receive, invest, and disburse funds, pursuant to the provisions of Article 8 (commencing with Section 64691).

Funds may be allocated to agencies not specifically or solely engaged in carrying on research or promotion for beef, if the council and the director are satisfied that such allocations will be beneficial to the California beef industry, and will tend to effectuate the declared purposes of this chapter.

64632. The council shall keep such books, records, and accounts of all its transactions, dealings, contracts, agreements, funds, and expenditures as it deems necessary. Such books, records, and accounts shall at all times be open to inspection and audit by the director.

64633. A member, alternate agent, or employee of the council shall not do any of the following:

(a) Appear before any legislative committee of the state or federal government as a representative of the council unless requested to do so by such committee.

(b) Lobby in any manner as a representative of the council.

64634. None of the funds which are collected pursuant to this chapter shall be used for political contributions.

64635. The council shall prepare annually, summarized statements of the activities in which it has been engaged in the previous annual period, and of the activities in which it proposes to engage in the ensuing annual period. Such statements shall be made available to all producers and slaughterers that request them.

Article 6. Education, Research, or Public Information Programs

64661. The director shall conduct, or may cause the council to conduct, programs of education, research, or public information, which are designed to accomplish the following purposes, among others:

- (a)** Increase the consumption of beef and beef products.
- (b)** Gather, publicize, and disseminate accurate and scientific information which shows the importance of the use and consumption of beef and beef products in relation to the public health, economy, and diet, and proper nutrition of children and adults.
- (c)** Study means and methods which are employed in producing, processing, manufacturing, marketing, and distributing beef and beef products in order to comply with the sanitary and other regulations which are imposed by municipalities, this state, and the United States.
- (d)** Gather and disseminate information regarding the high standards which are observed and imposed to ensure pure and wholesome beef and beef products.
- (e)** Gather and disseminate information regarding the harmful effects on the public health resulting from the breakdown or instability of the cattle industry, the factors and conditions peculiar to the cattle industry which tend to cause an unbalanced production, the price of beef and beef products in relation to the cost of other items of food in a balanced diet.
- (f)** Gather and disseminate information regarding the nutritional qualities of beef and beef products and public consumption patterns and trends, and the factors which tend to promote increased consumption of beef and beef products, stabilize the industry, and foster a better understanding and more efficient cooperation among producers and slaughterers and the consuming public.

64662. No program or activity which is conducted or sponsored pursuant to this chapter shall make false or unwarranted claims, or disparage the quality, value, use, or sale of any commodity authorized by law to be marketed in this state, nor shall any such program be conducted with reference to a private brand or trade name which refers to beef or a beef product, except as provided for in Section 64663.

64663. The council shall not expend beef council funds for the advertising of brand name beef products, unless the expenditures are approved by a two-thirds vote of the council with the concurrence of the secretary. The council may expend beef council funds to conduct cost-sharing advertising with nonbeef brand name products.

Article 7. Referendum for Voluntary Fee Payment

64671. Whenever a petition is presented to the director which has been signed by 2,000, or more, of the total producers in the state, not more than six months prior to its presentation to the director, the director shall conduct a referendum among producers to ascertain whether they favor the carrying on of a voluntary promotion and research program for beef as prescribed in Section 64661. At the time any person starts to circulate such a petition, he shall notify the director of such action. The director shall establish the period of time during which such referendum shall be conducted which shall be not less than 30 days nor more than 90 days.

64672. The director shall count and tabulate the ballots received, and announce the results at the close of the referendum period. If the director finds from the ballots cast that 40 percent or more of all producers, as determined from a list to be established by the director, have voted and that not less than 65 percent of the total producers that produced not less than 51 percent of the volume of the commodity in the state or not less than 51 percent of the total producers that produced not less than 65 percent of the volume of the commodity in the state voting in such referendum favor carrying on a voluntary promotion and research program, the director shall declare the program a voluntary promotion and research program.

64673. If the promotion and research program is declared to be voluntary, Section 64695 shall become operative and funds for the administration and enforcement of this chapter shall be provided by voluntary contributions rather than mandatory fees.

64674. If the director finds that the referendum did not receive the required votes in favor of a voluntary promotion and research program pursuant to Section 64672, he shall declare this result and shall instruct the council to carry on the current program.

64675. If the voluntary promotion and research program does not receive the required favorable vote or if less than the required number of producers have voted, another referendum shall not be petitioned for until after the expiration of a period of two years from the date of the referendum which failed.

64676. No referendum shall be conducted pursuant to this article until after the expiration of a period of two years from the effective date of this article.

Article 8. Financial Provisions

64691. (a) In order to carry out the programs and administer the activities which are conducted pursuant to this chapter, except as specified in Sections 64691.5 and 64702, a fee of one dollar (\$1) per head shall be paid on each sale of cattle and calves as specified in Section 64691.7. The fee shall be charged on all cattle and calves, except the following:

- (1)** Hides, skins, or reduction animals.
 - (2)** Any cattle that are transported for purposes other than for sale or slaughter and without a change of ownership.
 - (3)** Any cattle custom slaughtered exclusively for the owner, members of the owner's household, or the owner's nonpaying guests or employees.
 - (4)** Any calves weighing less than 300 pounds.
- (b)** The fee shall not be charged or collected more than once from each owner upon the same animal and is nonrefundable.

64691.1. Each person who is required to pay or collect the fees which are required in Section 64691 shall maintain a complete and accurate record of all transactions subject to fees under this chapter. These records shall contain information required by the director relating to the payment or collection of fees, shall be preserved for a period of two years, and shall be offered and submitted for inspection and audit at any reasonable time upon written demand by the director or his or her duly authorized agent.

All information obtained by the director or his or her duly authorized agent from any inspection or audit of records shall be confidential and shall not be disclosed except when required in a judicial proceeding.

64691.5. A fee greater than one dollar (\$1) per head on cattle and calves prescribed by Section 64691 shall not be charged pursuant to that section under a mandatory fee payment program, unless and until the greater fee is approved by the producers in this state, by a referendum to be submitted to the producers by the secretary. The secretary shall find that the producers have approved any greater fee, if he or she finds that 60 percent of the producers voting in the referendum voted in favor of charging the greater fee. Ballots shall be provided to producers from a list provided by the council and approved by the secretary, and to other producers who request a ballot that provide proof of eligibility.

64691.7. The fees required pursuant to Section 64691 shall be due and payable as follows:

(a) The fee for cattle or calves, whether originating in the state or out of state, shall be paid by the seller. The fee shall be charged and collected from the seller or from the seller's account and paid to the secretary by each operator of any stockyard, livestock auction market, slaughterhouse, or registered feedlot in the state. The fee is due and payable to the secretary on or before the 15th day of the month next succeeding the month in which the cattle and calves are sold. Fees that are not collected in the manner provided in this subdivision shall be collected from the seller by the Bureau of Livestock Identification at the time that brand inspection fees are collected.

(b) The fee for cattle or calves for which the fee would not otherwise be collected pursuant to subdivision (a) and that are also exempt from brand inspection, shall be charged and collected from the seller in a manner determined by the department.

(c) Any fees that are not collected in the manner specified in subdivision (a) or (b) shall be paid to the secretary directly by the seller on or before the 15th day of the month next succeeding the month in which the sale occurs.

(d) A fee shall be paid for each head of cattle or calves slaughtered in the state unless specifically exempted by Section 64691 or 64702. If the fee is not deducted from the seller it shall be paid by the purchaser or slaughterer and is due and payable in the manner provided in this section.

[Amended by SB 965, Stats. 2018, Chap. 410, effective January 1, 2019]

64693. (a) Any person who fails to pay, collect, or remit any fees due within the time specified in this chapter shall be liable for administrative costs incurred by the department in enforcing this chapter, including the costs of any audit performed pursuant to Section 64691.1. In addition, the person shall be liable civilly in an amount not to exceed one hundred dollars (\$100) for each head of cattle or calves which is sold. The person shall also be liable for all of the following:

(1) The total amount of fees due.

(2) The cost of the civil suit including attorney's fees.

(3) Two percent interest per month on the unpaid balance of the fees owed.

(b) At the request of the director, the Attorney General shall file an action in an appropriate court to collect any unpaid fees, civil penalties, and interest, or in the alternative, the department may bring the action when appropriate.

64693.5. At the request of the director, the Attorney General shall petition an appropriate court for the issuance of an injunction, restraining any person in violation of any requirement specified in this chapter or regulations adopted pursuant thereto from continuing the violation. The court may also require the performance of any obligation imposed under this chapter or any regulations adopted pursuant thereto.

64694. The fees which are collected by the Bureau of Livestock Identification pursuant to this article shall be forwarded to the director at the same time and in the same manner as the inspection fees which are provided for in Article 9 (commencing with Section 21281) of Chapter 6 of Division 10. The director shall reimburse, from any money which is collected pursuant to this section, the Bureau of Livestock Identification and any other bureaus or agencies of the state for any additional expenses which are incurred by them in the administration or enforcement of this chapter.

64695. Any person who is subject to the fee which is required by Section 64691 may obtain a refund of the fee collected from him by submitting to the director a claim for such refund. Such claim shall be submitted in writing within 90 days after the date of the brand inspection or the date of payment of the fee to the director whichever date is later. The claim for refund shall contain such necessary information as the director may require.

This section shall not become operative unless and until the promotion and research program is declared by the director to be voluntary pursuant to the provisions of Article 7 (commencing with Section 64671).

64696. (a) All money that is collected by the director pursuant to this chapter shall be deposited in any bank, or other depository that is approved by the Director of Finance, allocated to the purposes of this chapter only, and disbursed by the director or the council only for the necessary expenses that are incurred by the council and the director in carrying out the purposes and provisions of this chapter, including expenses generated by the auditing requirement contained in this section. Money that is so collected shall be deposited and disbursed in conformity with appropriate auditing regulations that are prescribed by the director. The expenditure of the money is exempt from the provisions of Sections 925.6 and 16304 of the Government Code.

(b) All expenditures by the council and the director shall be audited at least once every two years by one of the following means:

- (1)** By contract with a certified public accountant.
- (2)** By contract with a public accountant holding a valid permit issued by the California Board of Accountancy.
- (3)** By contract with a public accounting firm.

(4) By agreement with the Department of Finance.

A copy of the audit shall be delivered within 30 days after completion of the audit to the Governor, the director, and the Controller.

64697. Money which is deposited pursuant to Section 64696 may be invested and reinvested by the Treasurer or the council in any of the securities described in Article 1 (commencing with Section 16430) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, or placed in a depository as provided in Chapter 4 (commencing with Section 16500) of Part 2 of Division 4 of Title 2 of the Government Code, and handled in the same manner as money in the State Treasury. For these purposes, the money may also be combined with funds which are determined by the director to be available for investment pursuant to Section 58939. Any increment which is received from investment, reinvestment, or deposit made by the Treasurer shall be remitted to the council. The Treasurer may deduct from the remittance an amount equal to the reasonable cost incurred in carrying out this section or may bill the council for the costs, and the council shall pay the costs from money which is collected for it pursuant to this chapter.

64698. The director, after consultation with the council, shall prepare an annual budget which sets forth in reasonable detail the proposed expenditures which he deems necessary for the performance by him and by the department of the duties which are imposed upon them by this chapter. He shall also prepare and submit to the council an annual statement, in reasonable detail, of his expenditures pursuant to this chapter.

64699. The director may receive funds in such amounts as he may deem necessary to defray the initial expenses in making effective this chapter. The director shall reimburse those persons from whom said funds are received in the amounts received from any funds which are received by the director pursuant to Section 64691.

64700. The director may accept contributions to advance the purposes of this chapter. If requested by the donor, such contributions shall be segregated and separately maintained for the use of the council.

64701. Any inspector who is described in Section 20010 may accept voluntary contributions on behalf of the director. Such contributions may be supplementary to collections which are provided in Article 8 (commencing with Section 64691) of this chapter. Such contributions may be in lieu of the fees specified in Article 8 (commencing with Section 64691) if the promotion and research program is declared by the director to be voluntary pursuant to Article 7 (commencing with Section 64671).

64702. The following shall apply to this chapter so long as the federal Beef Promotion and Research Act of 1985 (7 U.S.C. Sec. 2901 et seq.) and any resulting regulations are in effect. If the federal act is terminated by subsequent statute or in the manner specified in the act, this fact shall be certified by the secretary and this section shall be void and have no force and effect.

(a) A fee shall not be collected pursuant to this chapter on the sale of cattle or calves that originated from out of state and for which a federal assessment was paid in the originating state in accordance with the requirements of the federal act. When no federal assessment on the sale was paid in the originating state, the secretary shall ensure that any federal assessment due is paid. This subdivision shall not prevent the collection of fees by the secretary on subsequent sales of the cattle or calves.

(b) No fee shall be collected on the sale of cattle or calves if the sale is exempt from the federal act and regulations adopted pursuant thereto.

(c) (1) No person shall be liable for more than a total of one dollar (\$1) per head per sale of cattle or calves under this chapter and the federal act.

(2) This subdivision does not apply to any fee increases approved by the secretary pursuant to Section 64691.5.

Article 9. Termination

64731. The provisions of this chapter shall continue to be operative permanently except as provided in this article.

64732. A referendum among the state's producers shall be conducted by the director in any of the following cases:

(a) Whenever the director, on his own motion or at the request of the council, determines that it is no longer in the best interest of the state to continue the existence of the council and the programs established and maintained pursuant to this chapter.

(b) Upon the receipt by the director of a petition for such a referendum signed by 3,000 of the state's producers that signed the petition not more than six months prior to its presentation to the director.

In either such event, the director shall thereupon prepare and mail to each producer as shown in the records of the department, a ballot form and self-addressed envelope.

64733. The ballot form shall be substantially as follows:

BALLOT
California Beef Council Law
Termination of Council and Program

Shall the existence of the California Beef Council and the programs established and maintained under the California Beef Council Law (Chapter 2 (commencing with Section 64501) of Division 22 of the Agricultural Code) be discontinued and terminated?

YES _____ NO _____

Signature of Producers

64734. If upon the count of the ballots the director finds that 30 percent, or more, of all producers established by the director's list have voted and that 51 percent, or more, of the total number of producers voting have assented to the discontinuance and termination of the council and the programs which are established and maintained pursuant to this chapter, the director shall make a finding to that effect and declare the existence of the council and the programs which are established and maintained pursuant to this chapter discontinued and terminated at the end of the fiscal year in which the referendum is conducted.

64735. If upon a count of the ballots the director finds that less than 51 percent of the total number of producers voting have assented to such discontinuance and termination, he shall make a finding to that effect and the council and programs which are established and maintained pursuant to this chapter shall continue to remain in full force and effect.

64736. On the expiration of this chapter pursuant to this article, the council shall remain in existence for the purpose of furnishing the director with a complete record of its outstanding financial obligations, accrued and to accrue. The director shall pay from the money deposited and disbursed as provided in Section 64696 such obligations and any obligations incurred by the director and the department under the terms and provisions of this section. Any money which remains shall be retained by the director to defray the expenses of formulation, issuance, administration or enforcement of any subsequent program for beef promotion. If no such program is undertaken within a period of three years from the date of termination of this chapter, such money shall be withdrawn from the approved depository and paid into the State Treasury, allocated to the Department of Agriculture Fund for use by the director in carrying out the hide and brand provisions of this code, when appropriated by the Legislature.