

CHAPTER 1170  
AGRICULTURAL WAREHOUSES

S. F. 321

AN ACT relating to bonded agricultural warehouses.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section five hundred forty-three point one (543.1), subsections five (5), ten (10), eleven (11), fourteen (14) and fifteen (15), Code 1977, are amended to read as follows:

5. "Grain" shall mean wheat, corn, oats, barley, rye, flaxseed, field peas, soybeans, grain sorghums, spelt, and similar agricultural products, as defined in the Grain Standards Act.

10. "~~Delivery~~ Receiving and loadout charge" shall mean the charge made by the warehouseman for receiving grain into and ~~delivering~~ loading grain from the warehouse, exclusive of the warehouseman's other charges.

11. "Unlicensed warehouseman" means a warehouseman who retains grain in his warehouse not to exceed ~~ten~~ thirty days and is not licensed under the provisions of this chapter or Title VII, U.S.C.

14. "Station" means a warehouse located more than three miles from the central office of the warehouse ~~or-in-a different-city-than-the-central-office.~~

15. "Warehouseman's obligation" means a sufficient quantity and quality of grain or other products for which a warehouseman is licensed including company owned grain and grain of depositors as the warehouseman's records indicate. For an unlicensed warehouseman it means a sufficient quantity and quality to cover company owned and all deposits of grain for which actual payment has not been made. At no time may a warehouseman have less grain or other agricultural products in ~~his~~ the warehouse than ~~his~~ the obligations to depositors, as determined by investigation of the warehouseman's records.

Sec. 2. Section five hundred forty-three point one (543.1), Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. "Grain Standards Act" means the United States Grain Standards Act, as amended to and including January 1, 1977.

NEW SUBSECTION. "Official grain standards" means the standards of quality and condition of grain which establishes

the grade, fixed and established by the secretary of agriculture under the Grain Standards Act.

NEW SUBSECTION. "Grain bank" means grain owned by a depositor and held temporarily by the warehouseman for use in the formulation of feed or to be processed and returned to the depositor on demand.

NEW SUBSECTION. "License" means a license issued under this chapter.

Sec. 3. Section five hundred forty-three point two (543.2), Code 1977, is amended to read as follows:

543.2 DUTIES AND POWERS OF THE COMMISSION. The commission is authorized to exercise general supervision over the storage, warehousing, classifying according to grade or otherwise, weighing, and certification of agricultural products. The commission may inspect or cause to be inspected any warehouse and may require the filing of reports describing any warehouse or the operation thereof. If upon any such inspection a deficiency is found to exist as to the quantity or quality of agricultural products stored, as indicated on the warehouseman's books and records according to official grain standards, the commission shall have the authority to, and may require an employee to remain at the licensed warehouse and supervise all operations conducted thereat involving agricultural products stored under the provisions of this chapter until the deficiency is corrected. The commission shall inspect or cause to be inspected every licensed warehouse and the contents thereof not less than once every six months and the commission shall have authority to make available to the United States government, or any of its agencies, including the Commodity Credit Corporation, the results of inspections made and inspection reports submitted to it by employees of the commission, upon payment to it of such charges as may be determined by the commission, but in no event shall such charges be less than the actual cost of such services rendered in regard thereto, as determined by the commission. The commission shall have authority to enter into contracts and agreements for such purpose and shall keep a record of all money thus received. All such money shall be paid over to the treasurer of state as miscellaneous receipts. The commission may classify any warehouse in accordance with its suitability for the storage of agricultural products and shall specify in any license issued for the operation of any warehouse the type or types and the quantity of agricultural products which may be exclusively stored in such warehouse.

The commission may prescribe, within the limitations of this chapter, the duties of licensed warehousemen with respect to the care of and responsibility for the contents of licensed warehouses. ~~The commission may from time to time establish and publish standards for agricultural products by which quality or value of such products may be judged or determined.~~ Grain grades shall be determined under the official grain standards. The commission may from time to time publish such data in connection with the administration of this chapter as may be of public interest. The commission shall have the duty of administration of the further provisions of this chapter.

Sec. 4. Section five hundred forty-three point four (543.4), Code 1977, is amended to read as follows:

543.4 ISSUANCE OF LICENSE AND FINANCIAL RESPONSIBILITY. The commission is authorized, upon application to it, to issue to any warehouseman or to any person about to become a warehouseman a license or licenses for the operation of a warehouse or warehouses in accordance with the provisions of this chapter and such rules ~~and regulations~~ as may be made by the commission under the authority of section 543.3. A single license may be issued for the operation of two or more warehouses located in the same city and operated by the same warehouseman. A license to operate two or more warehouses located ~~in different cities~~ within a twenty-five mile radius of a central office may be issued ~~under a single application~~, but a separate fee shall be charged for each station. An application for a warehouse license shall be accompanied by a complete financial statement of the applicant setting forth the assets, liabilities and net worth of the applicant. The financial statement must be prepared according to normally accepted accounting principles. Assets shall be shown at original cost less depreciation. Upon petition being filed with the commission, the commission may allow asset valuations in accordance with a competent appraisal. Deferred pricing contracts shall be shown as a liability and valued at the applicable current market price of grain as of the date the financial statement is prepared. In order to receive and retain a license the applicant must have and maintain a net worth of at least twenty-five thousand dollars or provide bond in addition to that required by section five hundred forty-three point twelve (543.12) of the Code in the amount of two thousand dollars for each one thousand dollars or fraction thereof of net worth deficiency.

Sec. 5. Section five hundred forty-three point five (543.5), subsection six (6), Code 1977, is amended to read as follows:

6. A complete financial statement for use of the commission in the administration of this chapter, as required by section five hundred forty-three point four (543.4) of the Code.

Sec. 6. Section five hundred forty-three point ten (543.10), Code 1977, is amended to read as follows:

543.10 SUSPENSION OR REVOCATION OF LICENSE. The commission is empowered after hearing before it and upon information being filed with the commission by the duly authorized head of the warehouse division of the commission or upon complaint filed by any person to suspend or revoke the license of anyone licensed under this chapter for the violation of or failure to comply with the provisions of this chapter or any rule made in pursuance of the authority therefor granted under this chapter. An information or a verified complaint stating the grounds for suspension or revocation shall be filed with the commission in triplicate, and thereupon the commission shall serve the licensee complained against with a copy of the information or the complaint and a copy of the order of the commission fixing the time for hearing thereon, which time shall be at least twenty ten days from the date of service. ~~If the commission determines that the public good requires it, it may upon the filing of the information or the complaint and without hearing, temporarily suspend a license pending the determination by it of the complaint. Judicial review of the actions of the commission may be sought in accordance with the terms of the Iowa administrative procedure Act.~~

If upon the filing of the information or complaint the commission finds that the licensee has failed to meet the warehouseman's obligation or otherwise has violated or failed to comply with the provisions of this chapter or any rule promulgated under this chapter, and if the commission finds that the public health, safety or welfare imperatively requires emergency action, then the commission without hearing may order a summary suspension of the license in the manner provided in section seventeen A point eighteen (17A.18) of the Code. When so ordered, a copy of the order of suspension shall be served upon the licensee at the time the information or complaint is served as provided in this section.

Judicial review of the actions of the commission may be sought in accordance with the terms of the Iowa administrative procedure Act.

Sec. 7. Section five hundred forty-three point eleven (543.11), Code 1977, is amended to read as follows:

543.11 SUSPENSION OR REVOCATION OF LICENSE FOR INSUFFICIENCY OF BOND OR INSURANCE. Whenever the commission shall determine that a bond filed under the provisions of section 543.12 and approved by the commission, is, or has become, insufficient to secure the faithful performance of the obligations of the licensed warehouseman, or whenever the commission shall determine that insurance is not fully provided as required under section 543.15, it may require the licensed warehouseman to provide additional bond or bonds or additional evidence of insurance coverage so that the bond and insurance shall conform with the requirements of sections 543.12, 543.13, and 543.15. If such additional insurance is not provided within five days after notice by certified mail the license of the warehouseman concerned shall be automatically suspended. If such additional insurance is not filed within another twenty-five days, the warehouse license shall be automatically revoked. If additional bond is not provided within thirty days after receiving notice by certified mail the warehouse license shall be suspended. If such additional bond is not filed within sixty days the warehouse license shall be automatically revoked. When a license is so revoked, the commission shall notify each holder of an outstanding warehouse receipt and all known persons who have grain retained in open storage of such revocation. The commission shall further notify each receipt holder and all known persons who have grain retained in open storage that ~~his~~ the grain must be removed from the warehouse not later than the thirtieth day following the initial revocation as herein set forth. Such notice shall be by ordinary mail sent to the last known address of each receipt-holder person having grain in storage as provided in this section.

Whenever the commission shall receive notice from a surety that it has canceled the bond of a warehouseman, the commission shall automatically suspend the warehouse license if a new bond is not received by the commission within thirty days of receipt of the notice of cancellation. The commission shall cause an inspection of the licensed warehouse immediately at the end of such thirty-day period. If a new bond is not received within sixty days of receipt of the notice of cancellation the commission shall revoke the warehouse license. The commission shall cause a further inspection of the licensed warehouse at the end of such sixty-day period. When a license

is so revoked the commission shall give notice of such revocation to each holder of an outstanding warehouse receipt and all known persons who have grain retained in open storage. The commission shall further notify each receipt holder and all known persons who have grain retained in open storage that ~~his~~ the grain must be removed from the warehouse not later than the ninetieth day following receipt of notice of cancellation, by the commission. Such notice ~~to each receipt holder~~ shall be sent by ordinary mail to the last known address of each ~~receipt-holder~~ person having grain in storage as provided in this section. The commission shall cause a final inspection of the licensed warehouse immediately after the end of such ninety-day period.

Sec. 8. Section five hundred forty-three point fourteen (543.14), unnumbered paragraph two (2), Code 1977, is amended by striking the paragraph and inserting in lieu thereof the following:

Upon revocation, termination or cancellation of a warehouse license, any claim against the warehouseman arising under this chapter shall be made in writing with the warehouseman and with the surety on the warehouse bond within one hundred twenty days after revocation, termination or cancellation. Failure to make a timely claim shall relieve the surety of all obligations to the claimant, however, this section shall not be construed to reduce the aggregate liability of the surety to other claimants below the face amount of the bond then in effect. Upon revocation of a warehouse license, the commission shall cause notice of such revocation to be published once each week for two consecutive weeks in a newspaper of general circulation in each of the counties in which the licensee maintains a business location and in a newspaper of general circulation within the state. The notice shall state the name and address of the warehouseman, the effective date of revocation, and the name and address of the surety on the warehouse bond. The notice shall also state that any claims against the warehouseman shall be made in writing and sent by ordinary mail to the warehouseman and the surety on the warehouse bond within one hundred twenty days after revocation. The provisions of this paragraph shall not apply if a receiver is appointed as provided in this chapter pursuant to a petition which is filed by the commission prior to the expiration of one hundred twenty days after revocation, termination or cancellation of the license.

Sec. 9. Section five hundred forty-three point seventeen

(543.17), Code 1977, is amended to read as follows:

543.17 RECEIVING BULK GRAIN AT LICENSED AND UNLICENSED WAREHOUSES.

1. Any grain which has been received at any licensed warehouse for which the actual sale price is not fixed and proper documentation made or payment made shall be construed to be grain held for storage within the meaning of this chapter. Grain may be held in open storage or placed on warehouse receipt. Actual payment shall be made on all priced grain, ~~er-warehouse~~ within thirty days unless a deferred payment or deferred pricing contract has been executed. Warehouse receipts shall be issued for all grain held in open storage, within six months of delivery to the warehouse, unless the depositor has signed a statement that he the depositor does not desire a warehouse receipt ~~or-unless-a-deferred-payment contract-has-been-concluded-pursuant-to-subsection-2.~~ Any ~~deposit-of-grain-for-which-the-price-has-not-been-fixed-and properly-documented-within-thirty-days-from-delivery-to-the warehouse-shall-be-deemed-as-storage.~~ The warehouseman's tariff shall apply for any grain that is retained in open storage or under warehouse receipt.

Bulk grain deposited with a licensed warehouseman for processing, cleaning, drying, shipping for the account of the depositor or any other purpose shall be removed within thirty days or such grain shall be determined as stored grain and the warehouseman's tariff charges shall apply.

Grain received on a scale ticket which fails to have the price fixed and properly documented on the records of the warehouseman shall be construed to be in open storage ~~and shall-be-covered-by-the-warehouseman's-bond-within-the provisions-of-this-chapter.~~

All grain whether open storage or having been placed on warehouse receipt shall be covered by the warehouseman's bond as required under the provisions of this chapter.

2. Notwithstanding any provisions of this section, a written agreement may be made between the seller and the licensed warehouseman for any bulk grain delivered to or stored at a licensed warehouse that payment or pricing and payment will be deferred to a later date. Such agreement shall contain a statement informing the seller that the warehouseman shall not be required to carry insurance or bond on such grain for the benefit of the seller and that the payment for such grain becomes a common claim against the warehouseman.

The agreement in addition to such other information as may be required shall contain the following:

- a. The seller's or depositor's name and address.
- b. The conditions of delivery.
- c. The amount and kind of grain delivered.
- d. The price per bushel or basis of value.
- e. The date payment is to be made.

Such agreement must be numbered and signed by both parties and executed in duplicate. One copy shall be retained by the warehouseman and one copy shall be delivered to the seller.

Grain received or purchased in storage under a deferred payment or deferred pricing contract under the provisions of this section shall ~~not~~ be deemed as to be warehouse owned grain.

Any grain which has been received at any unlicensed warehouse and for which the actual sale price has not been fixed and payment made within ten thirty days from receipt of the grain, unless covered by deferred payment or deferred pricing contract, shall be construed to be grain-held-for unlawful storage within the meaning of this chapter. Bulk grain received at any unlicensed warehouse for any other purpose must either be returned to the depositor or disposed of by order of the depositor within ten thirty days from date of actual deposit of the bulk grain.

If the depositor of bulk grain in an unlicensed warehouse fails to sell the grain or orders other disposition of the grain, the warehouseman may purchase the grain on the tenth thirtieth day after deposit at not less than the local market price at the close of business on the tenth thirtieth day or return the grain to the depositor by the tenth thirtieth day.

3. Every licensed warehouseman shall, on or before July first of each year, send a statement for each holder of a warehouse receipt covering grain held for more than one year at that warehouse to his or her last known address. The statement shall show the amount of all grain held pursuant to warehouse receipt for such warehouse receipt holder and the amount of any storage charges held by the licensed warehouseman against that grain. However, a licensed warehouseman need not prepare this annual statement for a holder of a warehouse receipt, if the licensed warehouseman prepares such statements monthly, quarterly or for any other period more frequent than annually. Failure to prepare a statement required by this subsection shall be punishable



by a civil fine not to exceed one hundred dollars. Violation of this section shall not constitute grounds for suspension, revocation, or modification of the license of anyone licensed under this chapter.

Sec. 10. Section five hundred forty-three point twenty-eight (543.28), unnumbered paragraphs two (2), three (3) and four (4), Code 1977, are amended to read as follows:

The minimum receiving or loadout charge for bulk grain shall be two cents per bushel. No receiving or loadout charge shall be made for products sold to the warehouseman whether such product has been in storage or not. The specific receiving or loadout charge herein provided shall not be mandatory as to grain received into grain elevators from railroad cars nor as to grain sold by a warehouseman and carried as storage for the purchaser. Minimum storage, receiving or loadout charges set forth in the Code or established by the commission shall not apply to grain stored with the warehouseman which is stored for the sole purpose of processing and redelivery to the original depositor. Drying shall not be considered as processing of grain.

The storage charges herein provided for shall commence on the date of receiving into the warehouse. Provided, however, that a storage, receiving or loadout charge other than that specified above may be made, if such charge is required by the terms of a written contract with the United States government, any of its subdivisions or agencies, providing copy of such contract is filed with the commission.

Rates for storage, conditioning of stored products and delivery receiving or loadout charges shall be just, reasonable, and nondiscriminatory, and every unjust, unreasonable, and discriminatory charge for such services or any part thereof and not in accordance with tariffs as herein provided, is prohibited and is hereby declared to be unlawful.

Sec. 11. Section five hundred forty-three point thirty-seven (543.37), Code 1977, is amended to read as follows:

543.37 FAILURE TO PAY FEE. Failure to pay the annual fee provided for in section 543.33 on or before the date the same shall become due shall cause a license to terminate. The annual fee shall become due on June ~~30~~ thirtieth each year. A warehouse license which has terminated may be reinstated by the commission upon receipt of a proper renewal application, current financial statement, renewal fee and a penalty fee in the amount of ten dollars from the warehouse

if such are filed within thirty days from the date of termination of the warehouse license. The commission may cancel the license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter.

Sec. 12. Section five hundred forty-three point thirty-nine (543.39), unnumbered paragraph one (1), and subsections one (1) and four (4), Code 1977, are amended to read as follows:

A licensed warehouseman may store grain in any other licensed warehouse in Iowa in addition to ~~his~~ the warehouseman's own facilities, subject to the following conditions:

1. ~~He~~ The warehouseman must obtain from such warehouseman a nonnegotiable warehouse receipt and such receipt must show clearly the following notation: "Held in trust for depositors of" (~~customer's name and address~~ name of original receiving warehouse).

4. A licensed warehouseman shall not accept grain for storage from another licensed warehouseman while ~~he~~ such warehouseman has grain stored elsewhere under the provisions of this section.

Sec. 13. Chapter five hundred forty-three (543), Code 1977, is amended by adding the following new section:

NEW SECTION. APPOINTMENT OF COMMISSION AS RECEIVER.

1. The commission in its discretion may, following summary suspension of a license under section five hundred forty-three point ten (543.10) of the Code, or following a suspension or revocation of a license as otherwise provided in section five hundred forty-three point ten (543.10) or five hundred forty-three point eleven (543.11) of the Code, file a verified petition in the district court requesting that the commission be appointed as a receiver to take custody of commodities stored in the licensee's warehouse and to provide for the disposition of those assets in the manner provided in this chapter and under the supervision of the court. The petition shall be filed in the county in which the warehouse is located. The district court shall appoint the commission as receiver. Upon the filing of the petition the court shall issue ex parte such temporary orders as may be necessary to preserve or protect the assets in receivership, or the value thereof, and the rights of depositors, until a plan of disposition is approved.

2. A petition filed by the commission under subsection

one (1) of this section shall be accompanied by the commission's plan for disposition of stored commodities. The plan may provide for the pro rata delivery of part or all of the stored commodities to depositors holding warehouse receipts or unpriced scale weight tickets, or may provide for the sale under the supervision of the commission of part or all of the stored commodities for the benefit of those depositors, or may provide for any combination thereof, as the commission in its discretion determines to be necessary to minimize losses.

3. When a petition is filed by the commission under subsection one (1) of this section the clerk of court shall set a date for hearing on the commission's proposed plan of disposition at a time not less than ten nor more than fifteen days after the date the petition is filed. Copies of the petition, the notice of hearing, and the commission's plan of disposition shall be served upon the licensee and upon the surety company issuing the licensee's bond in the manner required for service of an original notice. A delay in effecting service upon the licensee or surety shall not be cause for denying the appointment of a receiver and shall not be grounds for invalidating any action or proceeding in connection therewith.

4. The commission shall cause a copy of each of the documents served upon the licensee under subsection three (3) of this section to be mailed by ordinary mail to every person holding a warehouse receipt or unpriced scale weight ticket issued by the licensee, as determined by the records of the licensee or the records of the commission. The failure of any person referred to in this subsection to receive the required notification shall not invalidate the proceedings on the petition for the appointment of a receiver or any portion thereof. Persons referred to in this subsection are not parties to the action unless admitted by the court upon application therefor.

5. When appointed as a receiver under this chapter, the commission shall cause notification of the appointment to be published once each week for two consecutive weeks in a newspaper of general circulation in each of the counties in which the licensee maintains a business location, and in a newspaper of general circulation in this state.

6. The commission may designate an employee of the commission to appear on behalf of the commission in any proceedings before the court with respect to the receivership,

and to exercise the functions of the commission as receiver under this section and section fourteen (14) of this Act, except that the commission shall determine whether or not to petition for appointment as receiver, shall approve the proposed plan for disposition of stored commodities, shall approve the proposed plan for distribution of any cash proceeds, and shall approve the proposed final report.

7. The actions of the commission in connection with petitioning for appointment as a receiver, and all actions pursuant to such appointment shall not be subject to the provisions of the administrative procedure Act.

Sec. 14. Chapter five hundred forty-three (543), Code 1977, is amended by adding the following new section:

NEW SECTION. POWERS AND DUTIES OF RECEIVER.

1. When the commission is appointed as receiver under this chapter the surety on the bond of the licensee shall be joined as a party defendant by the commission. If required by the court, the surety shall pay the bond proceeds or so much thereof as the court finds necessary into the court, and when so paid the surety shall be absolutely discharged from any further liability under the bond to the extent of the payment.

2. When appointed as receiver under this chapter the commission is authorized to give notice in the manner specified by the court to persons holding warehouse receipts or other evidence of deposit issued by the licensee to file their claims within one hundred twenty days after the date of appointment. Failure to timely file a claim shall defeat the claim with respect to the surety bond and any commodities or proceeds from the sale of commodities, except to the extent of any excess remaining after all timely filed claims are paid in full.

3. When the court approves the sale of commodities, the commission shall employ a merchandiser to effect the sale of those commodities. A person employed as a merchandiser must meet the following requirements:

a. The person shall be experienced or knowledgeable in the operation of warehouses licensed under this chapter; and if the person has ever held a license issued under this chapter, the person shall never have had that license suspended or revoked.

b. The person shall be experienced or knowledgeable in the marketing of agricultural products.

c. The person shall not be the holder of a warehouse

receipt or scale weight ticket issued by the licensee, and shall not have a claim against the licensee whether as a secured or unsecured creditor, and otherwise shall not have any pecuniary interest in the licensee or the licensee's business. The merchandiser shall be entitled to reasonable compensation as determined by the commission, payable out of funds appropriated for operating expenses of the commission. A sale of commodities shall be made in a commercially reasonable manner and under the supervision of the warehouse division of the commission. The commission shall provide for the payment out of appropriations to the commission of all expenses incurred in handling and disposing of commodities. The commission shall have authority to sell the commodities, any provision of chapter five hundred fifty-four (554) of the Code to the contrary notwithstanding, and any commodities so sold shall be free of all liens and other encumbrances.

4. The plan of disposition, as approved by the court, shall provide for the distribution of the stored commodities, or the proceeds from the sale of commodities, or the proceeds from any insurance policy or surety bond, or any combination thereof, less expenses incurred by the commission in connection with the receivership, to depositors on a pro rata basis as their interests are determined. Distribution shall be without regard to any setoff, counterclaim, or storage lien or charge.

5. The commission may, with the approval of the court, continue the operation of all or any part of the business of the licensee on a temporary basis and take any other course of action or procedure which will serve the interests of the depositors.

6. The commission shall be entitled to reimbursement out of commodities or proceeds held in receivership for all expenses incurred as court costs or in handling and disposing of stored commodities, and for all other costs directly attributable to the receivership. The right of reimbursement of the commission shall be prior to any claims against the commodities or proceeds of sales thereof, and shall constitute a claim against the surety bond of the licensee.

7. In the event the approved plan of disposition requires the sale of commodities, or the distribution of proceeds from the surety bond, or both, the commission shall submit to the court a proposed plan of distribution of those proceeds. Upon such notice and hearing as may be required by the court, the court shall accept or modify the proposed plan. When the plan is approved by the court and executed by the

commission, the commission shall be discharged and the receivership terminated.

8. At the termination of the receivership the commission shall file a final report containing the details of its actions, together with such additional information as the court may require.

Sec. 15. Section five hundred forty-three point thirty-nine (543.39), Code 1977, is amended by striking subsection two (2).

Sec. 16. Section five hundred forty-three point twenty-two (543.22), Code 1977, is repealed.

Approved June 23, 1978

## CHAPTER 1171

### LIFE ESTATE IN LEASED PROPERTY

H. F. 433

AN ACT relating to the termination of a life estate in real property which has been leased.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Chapter five hundred sixty-two (562), Code 1977, is amended by adding the following new section:

NEW SECTION. TERMINATION OF LIFE ESTATE--FARM TENANCY. Upon the termination of a life estate, a farm tenancy granted by the life tenant shall continue until the following March first except that if the life estate terminates between September first and the following March first inclusively, then the farm tenancy shall continue for that year as provided by section five hundred sixty-two point six (562.6) of the Code and continue until notice of termination is given by the holder of the successor interest in the manner provided by section five hundred sixty-two point seven (562.7) of the Code. However, if the lease is binding upon the holder of the successor interest by the provision of a trust or by specific commitment of the holder of the successor interest, the lease shall terminate as provided by that provision or commitment. This section shall not be construed to abrogate the common law doctrine of emblements.

Sec. 2. Chapter five hundred sixty-two (562), Code 1977, is amended by adding the following new section:

NEW SECTION. TERMINATION OF LIFE ESTATE--NONFARM TENANCY. Upon the termination of a life estate, a tenancy granted by