

funds received from the tax levy authorized under subsection one (1) of this section shall be paid to the society conducting the official county fair.

Approved March 17, 1980

CHAPTER 1050
FAMILY FARM DEVELOPMENT

S. F. 2243

AN ACT providing for assistance to beginning farmers and businesspersons by establishing the Iowa family farm development authority, authorizing the issuance of bonds, prescribing its powers and duties and providing for its administration of the Bankhead-Jones Farm Tenant Act funds and authorizing the issuance of revenue bonds under chapter four hundred nineteen (419) of the Code by municipalities for acquisition of land, buildings or improvements by beginning businesspersons.

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

Section 1. NEW SECTION. SHORT TITLE. This Act shall be called and may be cited as the "Iowa Family Farm Development Act".

Sec. 2. NEW SECTION. DEFINITIONS. As used in sections one (1) through thirty-two (32) of this Act, unless the context otherwise requires:

1. "Agricultural land" means land suitable for use in farming.
2. "Agricultural improvements" means any improvements, buildings, structures or fixtures suitable for use in farming which are located on agricultural land. "Agricultural improvements" includes a single-family dwelling located on agricultural land which is or will be occupied by the beginning farmer and structures attached to or incidental to the use of the dwelling.
3. "Authority" means the Iowa family farm development authority established in section three (3) of this Act.
4. "Bankhead-Jones Farm Tenant Act" means the Act cited as 50 Stat. 522(1937), formerly codified as 7 U.S.C. s. 1000 et seq., repealed by Pub. L. No. 87-128 (1961).
5. "Beginning farmer" means an individual with a low or moderate net worth who engages in farming or wishes to engage in farming.
6. "Bonds" means bonds issued by the authority pursuant to sections one (1) through thirty-two (32) of this Act.
7. "Depreciable agricultural property" means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the Internal Revenue Code of 1954 as defined in section four hundred twenty-two point four (422.4) of the Code.

8. "Farming" means farming as defined in section one hundred seventy-two C point one (172C.1), subsection six (6), of the Code.

9. "Low or moderate net worth" means an aggregate net worth of an individual and the individual's spouse and children, if any, of less than one hundred thousand dollars.

10. "Mortgage" means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien, subject only to title exceptions and encumbrances acceptable to the authority, including any other mortgage liens of equal standing with or subordinate to the mortgage loan retained by a seller or conveyed to a mortgage lender, on a fee interest in agricultural land and agricultural improvements.

11. "Mortgage lender" means a bank, trust company, mortgage company, national banking association, savings and loan association, life insurance company, any state or federal governmental agency of instrumentality, including without limitation the federal land bank or any of its local associations, or any other financial institution or entity authorized to make mortgage loans in this state.

12. "Mortgage loan" means a financial obligation secured by a mortgage.

13. "Net worth" means total assets minus total liabilities as determined in accordance with generally accepted accounting principles with appropriate exceptions and exemptions reasonably related to an equitable determination of the family's net worth.

14. "Note" means a bond anticipation note issued by the authority pursuant to sections one (1) through thirty-two (32) of this Act.

15. "Secured loan" means a financial obligation secured by a chattel mortgage, security agreement or other instrument creating a lien on an interest in depreciable agricultural property.

16. "State agency" means any board, commission, department, public officer, or other agency or authority of the state of Iowa.

The authority may establish by rule further definitions applicable to sections one (1) through thirty-two (32) of this Act and clarification of the definitions in this section, as necessary to assure eligibility for funds, insurance or guarantees available under federal laws and to carry out the public purposes of sections one (1) through thirty-two (32) of this Act.

Sec. 3. NEW SECTION. ESTABLISHMENT OF AUTHORITY.

1. The Iowa family farm development authority is established, and constituted a public instrumentality and agency of the state exercising public and essential governmental functions. The authority is established to undertake programs which assist beginning farmers in purchasing agricultural land and agricultural improvements and depreciable agricultural property for the purpose of farming. The powers of the authority shall be vested in and exercised by a board of eleven members with nine members appointed by the governor with the approval of two-thirds of the members of the senate. The treasurer of the state and the state secretary of agriculture are ex officio nonvoting members. No more than five members shall belong to the same political party. As far as possible the governor shall include within the membership persons who represent financial institutions experienced in agricultural lending, the real estate sales industry, farmers, beginning

*According to enrolled Act

farmers, average taxpayers, local government, and any other person specially interested in family farm development.

2. The appointed members of the authority shall be appointed by the governor for terms of six years except that, of the first appointments, three members shall be appointed for terms of two years and three members shall be appointed for a term of four years. A person appointed to fill a vacancy shall serve only for the unexpired portion of the term. A member is eligible for reappointment. An appointed member of the authority may be removed from office by the governor for misfeasance, malfeasance or willful neglect of duty or other just cause, after notice and hearing, unless the notice and hearing is expressly waived in writing. An appointed member of the authority may also serve as a member of the Iowa housing finance authority.

3. Six members of the authority constitute a quorum and the affirmative vote of a majority of the voting members is necessary for any substantive action taken by the authority. The majority shall not include any member who has a conflict of interest and a statement by a member of a conflict of interest shall be conclusive for this purpose. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the authority.

4. The appointed members of the authority are entitled to receive forty dollars per diem for each day spent in performance of duties as members, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as members.

5. The appointed members of the authority and the executive director shall give bond as required for public officers in chapter sixty-four (64) of the Code.

6. Meetings of the authority shall be held at the call of the chairperson or whenever two members so request.

7. The appointed members shall elect a chairperson and vice chairperson annually, and other officers as they determine, but the executive director shall serve as secretary to the authority.

8. The net earnings of the authority, beyond that necessary for retirement of its notes, bonds or other obligations or to implement the public purposes and programs authorized, shall not inure to the benefit of any person other than the state. Upon termination of the existence of the authority, title to all property owned by the authority including any net earnings shall vest in the state.

Sec. 4. NEW SECTION. LEGISLATIVE FINDINGS. The general assembly finds and declares as follows:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa, for the improvement of their health and welfare and for the promotion of the economy, which are public purposes.

2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by sections one (1) through thirty-two (32) of this Act.

3. There exists a serious problem in this state regarding the ability of nonestablished farmers to acquire agricultural land and agricultural improvements and depreciable agricultural property in order to enter farming.

4. This barrier to entry into farming is conducive to consolidation of acreage of agricultural land with fewer individuals resulting in a grave threat to the traditional family farm.

5. These conditions result in a loss in population, unemployment and a movement of persons from rural communities to urban areas accompanied by added costs to communities for creation of new public facilities and services.

6. One major cause of this condition has been recurrent shortages of funds in private channels and the high interest cost of borrowing.

7. These shortages and costs have made the sale and purchase of agricultural land to beginning farmers a virtual impossibility in many parts of the state.

8. The ordinary operations of private enterprise have not in the past corrected these conditions.

9. A stable supply of adequate funds for agricultural financing is required to encourage beginning farmers in an orderly and sustained manner and to reduce the problems described in this section.

10. Article nine (IX), section three (3), of the Constitution of the State of Iowa requires that, "The General Assembly shall encourage, by all suitable means, the promotion of intellectual, scientific, moral, and agricultural improvement," and agricultural improvement and the public good are served by a policy of facilitating access to capital by beginning farmers unable to obtain capital elsewhere in order to preserve, encourage and protect the family farm which has been the economic, political and social backbone of rural Iowa.

11. It is necessary to create a state family farm development authority to encourage ownership of farms by beginning farmers by providing purchase money loans to beginning farmers who are not able to obtain adequate capital elsewhere to provide such funds and to lower costs through the use of public financing.

12. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned or granted.

Sec. 5. NEW SECTION. GUIDING PRINCIPLES. In the performance of its duties, implementation of its powers, selection of specific programs and projects to receive its assistance, the authority shall be guided by the following principles:

1. The authority shall not become an owner of real or depreciable property, except on a temporary basis where necessary in order to implement its programs, to protect its investments by means of foreclosure or other means, or to facilitate transfer of real or depreciable property for the use of beginning farmers.

2. The authority shall exercise diligence and care in selection of projects to receive its assistance and shall apply customary and acceptable business and lending standards in selection and subsequent implementation of the projects. The authority may delegate primary responsibility for determination and implementation of the projects to any federal governmental agency which assumes any obligation to repay the loan, either directly or by insurance or guarantee.

3. The authority shall establish a beginning farmer loan program to aid beginning farmers in the acquisition of agricultural land and improvements and depreciable agricultural property.

Sec. 6. NEW SECTION. GENERAL POWERS. The authority has all of the general powers needed to carry out its purposes and duties, and to exercise its specific powers, including but not limited to the power to:

1. Issue its negotiable bonds and notes as provided in sections one (1) through thirty-two (32) of this Act in order to finance its programs.

2. Sue and be sued in its own name.

3. Have and alter a corporate seal.

4. Make and alter bylaws for its management consistent with the provisions of sections one (1) through thirty-two (32) of this Act.

5. Make and execute agreements, contracts and other instruments, with any public or private entity, including but not limited to, any federal governmental agency or instrumentality. The authority may make and execute contracts with any firm of independent certified public accountants to prepare an annual report on behalf of the authority. The authority may make and execute contracts with mortgage lenders for the servicing of mortgage and secured loans. All political subdivisions, other public agencies and state agencies may enter into contracts and otherwise cooperate with the authority.

6. Acquire, hold, improve, mortgage, lease and dispose of real and personal property, including but not limited to, the power to sell at public or private sale, with or without public bidding, any property, mortgage or secured loan or other obligation held by it.

7. Procure insurance against any loss in connection with its operations and property interests, including pool insurance on any group of mortgage or secured loans.

8. Fix and collect fees and charges for its services.

9. Subject to any agreement with bondholders or noteholders, invest or deposit moneys of the authority in any manner determined by the authority, notwithstanding the provisions of chapters four hundred fifty-two (452), four hundred fifty-three (453) or four hundred fifty-four (454) of the Code.

10. Accept appropriations, gifts, grants, loans, or other aid from public or private entities. A record of all gifts or grants, stating the type, amount and donor, shall be clearly set out in the authority's annual report along with the record of other receipts.

11. Provide to public and private entities technical assistance and counseling related to the authority's purposes.

12. In cooperation with other local, state or federal governmental agencies or instrumentalities, conduct studies of beginning farmer agricultural needs, and gather and compile data useful to facilitate decision making.

13. Contract with architects, engineers, attorneys, accountants, housing construction and finance experts, and other advisors or enter into contracts or agreements for such services with local, state or federal governmental agencies.

14. Make, alter and repeal rules consistent with the provisions of sections one (1) through thirty-two (32) of this Act, and subject to chapter seventeen A (17A) of the Code.

Sec. 7. NEW SECTION. STAFF.

1. The executive director and staff of the Iowa housing finance authority shall also serve as executive director and staff of the authority, respectively. The executive director shall not, directly or indirectly, exert influence to induce any other officers or employees of the state to adopt a political view, or to favor a political candidate for office.

2. The executive director shall advise the authority on matters relating to agricultural land and property and agricultural finance, and carry out all directives from the authority, and may hire and supervise additional staff pursuant to its directions and under the provisions of chapter nineteen A (19A), of the Code, except that principal administrative assistants with responsibilities in beginning farm loan programs, accounting, mortgage loan processing, and investment portfolio management are exempt from that chapter.

3. The executive director, as secretary of the authority, shall be custodian of all books, documents and papers filed with the authority and of its minute book and seal. The executive director may cause to be made copies of all minutes and other records and documents of the authority and give certificates under the seal of the authority to the effect that the copies are true copies and all persons dealing with the authority may rely upon the certificates.

Sec. 8. NEW SECTION. ANNUAL REPORT.

1. The authority shall submit to the governor and to the members of the general assembly as request it, not later than January fifteenth of each year, a complete and economically designed and reproduced report setting forth:

a. Its operations and accomplishments.

b. Its receipts and expenditures during the fiscal year, in accordance with the classifications it establishes for its operating and capital accounts.

c. Its assets and liabilities at the end of its fiscal year and the status of reserve, special and other funds.

d. A schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and issued during its fiscal year.

e. A statement of its proposed and projected activities.

f. Recommendations to the general assembly, as it deems necessary.

g. An analysis of beginning farmer needs in the state.

2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress during the reporting period, in attaining the goals. Where possible, results shall be expressed in terms of number of loans and acres of agricultural land.

Sec. 9. NEW SECTION. NONDISCRIMINATION.

1. The opportunity to acquire agricultural land and agricultural improvements and depreciable agricultural property financed or otherwise assisted by the authority, directly or indirectly, is open to all persons regardless of race, creed, color, sex, national origin, age, physical or mental impairment, or religion.

2. The authority shall promote marketing plans for its programs under sections one (1) through thirty-two (32) of this Act.

Sec. 10. NEW SECTION. SURPLUS MONEYS. Moneys declared by the authority to be surplus moneys which are not required to service bonds and notes, to pay administrative expenses of the authority or to accumulate necessary operating or loss reserves, shall be used by the authority to provide loans, grants, subsidies, and services to beginning farmers through any of the programs authorized in sections one (1) through thirty-two (32) of this Act.

Sec. 11. NEW SECTION. COMBINATION PROGRAMS. Programs authorized in sections one (1) through thirty-two (32) of this Act may be combined with any other programs authorized in sections one (1) through thirty-two (32) of this Act, under chapter two hundred twenty (220) of the Code or under a federal program in order to facilitate as far as practicable the acquisition of agricultural land and property by beginning farmers.

Sec. 12. NEW SECTION. BEGINNING FARMER PROGRAM.

1. The authority shall develop a beginning farmer loan program to facilitate the acquisition of agricultural land and improvements and depreciable agricultural property by beginning farmers. The authority shall exercise the powers granted to it in sections one (1) through thirty-two (32) of this Act in order to fulfill the goal of providing financial assistance to beginning farmers in the acquisition of agricultural land and agricultural improvements and depreciable agricultural property. The authority may participate in and cooperate with programs of the farmers home administration, federal land bank or any other agency or instrumentality of the federal government or with any program of any other state agency in the administration of the beginning farmer loan program and in the making or purchasing of mortgage or secured loans pursuant to sections one (1) through thirty-two (32) of this Act.

2. The authority may participate in any federal programs designed to assist beginning farmers or in any related federal or state programs.

3. The authority shall provide in a beginning farmer loan program that a mortgage or secured loan to or on behalf of a beginning farmer shall be provided only if the following criteria are satisfied:

a. The beginning farmer is a resident of the state.

b. The agricultural land and agricultural improvements or depreciable agricultural property the beginning farmer proposes to purchase will be located in the state.

c. The beginning farmer has sufficient education, training, or experience in the type of farming for which the beginning farmer requests the mortgage or secured loan.

d. The authority is financing the acquisition by that beginning farmer of agricultural land and agricultural improvements totaling no more than five hundred thousand (500,000) dollars in value or of depreciable agricultural property totaling no more than one hundred twenty-five thousand (125,000) dollars in value.

e. If the loan is for the acquisition of agricultural land, the beginning farmer has or will have access to adequate working capital, farm equipment, machinery or livestock. If the loan is for the acquisition of depreciable

agricultural property, the beginning farmer has or will have access to adequate working capital or agricultural land.

f. The authority determines that the beginning farmer is unable to secure financing from conventional sources upon terms and conditions which the beginning farmer reasonably could be expected to fulfill.

g. The agricultural land and agricultural improvements shall only be used for farming by the beginning farmer or his or her family.

h. The beginning farmer has not previously received financing under the program for the acquisition of property similar in nature to the property for which the loan is sought. However, this restriction shall not apply if the amount previously received plus the amount of the loan sought does not exceed five hundred thousand dollars in the case of agricultural land and improvements or one hundred twenty-five thousand dollars in the case of depreciable agricultural property.

i. Other criteria as the authority prescribes by rule.

4. The authority may provide in a mortgage or secured loan made or purchased pursuant to sections one (1) through thirty-two (32) of this Act that the loan may not be assumed or any interest in the agricultural land or improvements or depreciable agricultural property may not be leased, sold or otherwise conveyed without its prior written consent and may provide a due-on-sale clause with respect to the occurrence*of any of the foregoing events without its prior written consent. The authority may provide by rule the grounds for permitted assumptions of a mortgage or for the leasing, sale or other conveyance of any interest in the agricultural land or improvements. However, the authority shall provide and state in a mortgage or secured loan that the authority has the power to raise the interest rate of the loan to the prevailing market rate if the mortgage or secured loan is assumed by a farmer who is already established in that field at the time of the assumption of the loan. This provision controls with respect to a mortgage loan made or purchased pursuant to sections one (1) through thirty-two (32) of this Act notwithstanding the provisions of chapter five hundred thirty-five (535) of the Code.

5. The authority may participate in any interest in any mortgage loan made or purchased pursuant to sections one (1) through thirty-two (32) of this Act with a mortgage lender. The participation interest may be on a parity with the interest in the mortgage loan retained by the authority, equally and ratably secured by the mortgage securing the mortgage loan.

Sec. 13. NEW SECTION. LOANS TO BEGINNING FARMERS.

1. The authority may make mortgage or secured loans, including but not limited to mortgage or secured loans insured, guaranteed, or otherwise secured by the federal government or a federal governmental agency or instrumentality, a state agency or private mortgage insurers, to beginning farmers to provide financing for agricultural land and agricultural improvements or depreciable agricultural property.

2. Mortgage or secured loans shall contain terms and provisions, including interest rates, and be in a form established by rules of the authority. The authority may require the beginning farmer to execute a note, loan agreement or other evidence of indebtedness and furnish additional

*According to enrolled Act

assurances and guarantees, including insurance, reasonably related to protecting the security of the mortgage or secured loan, as the authority deems necessary.

Sec. 14. NEW SECTION. LOANS TO MORTGAGE LENDERS.

1. The authority may make and contract to make loans to mortgage lenders on terms and conditions it determines are reasonably related to protecting the security of the authority's investment and to implementing the purposes of sections one (1) through thirty-two (32) of this Act. Mortgage lenders are authorized to borrow from the authority in accordance with the provisions of this section and the rules of the authority.

2. The authority shall require as a condition of each loan to a mortgage lender that the mortgage lender, within a reasonable period after receipt of the loan proceeds as the authority prescribes by rule, shall have entered into written commitments to make and, within a reasonable period thereafter as the authority prescribes by rule, shall have disbursed the loan proceeds in new mortgage or secured loans to beginning farmers in an aggregate principal amount of not less than the amount of the loan. New mortgage or secured loans shall have terms and conditions as the authority prescribes by rules which are reasonably related to implementing the purposes of sections one (1) through thirty-two (32) of this Act.

3. The authority shall require the submission to it by each mortgage lender to which the authority has made a loan, of evidence satisfactory to the authority of the making of new mortgage or secured loans to beginning farmers as required by this section and in that connection may, through its members, employees or agents, inspect the books and records of a mortgage lender.

4. Compliance by a mortgage lender with the terms of its agreement with the authority with respect to the making of new mortgage or secured loans to beginning farmers may be enforced by decree of any district court of this state. The authority may require as a condition of a loan to a national banking association or a federally chartered savings and loan association, the consent of the association to the jurisdiction of courts of this state over any enforcement proceeding. The authority may also require, as a condition of a loan to a mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its agreement with the authority, and the penalties shall be recoverable at the suit of the authority.

5. The authority shall require that each mortgage lender receiving a loan pursuant to this section shall issue and deliver to the authority evidence of its indebtedness to the authority which shall constitute a general obligation of the mortgage lender and shall bear a date, mature at a time, be subject to prepayment and contain other provisions consistent with this section and reasonably related to protecting the security of the authority's investment, as the authority determines.

6. Notwithstanding any other provision of this section, the interest rate and other terms of loans to mortgage lenders made from the proceeds of an issue of bonds or notes of the authority shall be at least sufficient to assure the payment of the bonds or notes and the interest on them as they become due.

7. The authority may require that loans to mortgage lenders are additionally secured as to payment of both principal and interest by a pledge of and lien upon collateral security by special escrow funds or other forms of guarantee and in amounts and forms as the authority by resolution determines to be necessary to assure the payment of the loans and the interest as they become due. Collateral security shall consist of direct obligations of or obligations guaranteed by the United States or one of its agencies, obligations satisfactory to the authority which are issued by other federal agencies, direct obligations of or obligations guaranteed by a state or a political subdivision of a state or investment quality obligations approved by the authority.

8. The authority may require that collateral for loans be deposited with a bank, trust company or other financial institution acceptable to the authority located in this state and designated by the authority as custodian. In the absence of that requirement, each mortgage lender shall enter into an agreement with the authority containing provisions the authority deems necessary to adequately identify and maintain the collateral, service the collateral and require the mortgage lender to hold the collateral as an agent for the authority and be accountable to the authority as the trustee of an express trust for the application and disposition of the collateral and the income from it. The authority may also establish additional requirements it deems necessary with respect to the pledging, assigning, setting aside or holding of collateral and the making of substitutions for it or additions to it and the disposition of income and receipts from it.

9. The authority may require as a condition of loans to mortgage lenders any representations and warranties it determines are necessary to secure the loans and carry out the purposes of this section.

10. The authority may require the beginning farmer to satisfy conditions and requirements normally imposed by mortgage lenders in making similar loans, including but not limited to, the purchase of capital stock in the federal land bank.

11. If a provision of this section is inconsistent with a provision of law of this state governing mortgage lenders, the provision of this section controls for the purposes of this section.

Sec. 15. NEW SECTION. PURCHASE OF LOANS.

1. The authority may purchase and make advance commitments to purchase mortgage or secured loans from mortgage lenders at prices and upon terms and conditions as it determines. However, the total purchase price for all mortgage or secured loans which the authority commits to purchase from a mortgage lender at any one time shall not exceed the total of the unpaid principal balances of the mortgage or secured loans purchased. Mortgage lenders are authorized to sell mortgage or secured loans to the authority in accordance with the provisions of this section and the rules of the authority.

2. The authority shall require as a condition of purchase of mortgage or secured loans from mortgage lenders that the mortgage lenders certify that the mortgage or secured loans purchased are loans made to beginning farmers. Mortgage or secured loans to be made by mortgage lenders shall have terms and

conditions as the authority prescribes by rule. The authority may make a commitment to purchase mortgage or secured loans from mortgage lenders in advance of the time the loans are made by mortgage lenders. The authority shall require as a condition of a commitment that mortgage lenders certify in writing that all mortgage or secured loans represented by the commitment will be made to beginning farmers and that the mortgage lender will comply with other authority specifications.

3. The authority shall require the submission to it by each mortgage lender from which the authority has purchased loans of evidence satisfactory to the authority of the making of mortgage or secured loans to beginning farmers as required by this section and in that connection may, through its members, employees or agents, inspect the books and records of a mortgage lender.

4. Compliance by a mortgage lender with the terms of its agreement with the authority with respect to the making of mortgage or secured loans to beginning farmers may be enforced by decree of any district court of this state. The authority may require as a condition of purchase of mortgage or secured loans from any national banking association or federally chartered savings and loan association the consent of the association to the jurisdiction of courts of this state over any enforcement proceeding. The authority may also require as a condition of the purchase of mortgage or secured loans from a mortgage lender agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its agreement with the authority and the penalties shall be recoverable at the suit of the authority.

5. The authority may require as a condition of purchase of a mortgage or secured loan from a mortgage lender that the mortgage lender make representations and warranties the authority requires. A mortgage lender is liable to the authority for damages suffered by the authority by reason of the untruth of a representation or the breach of a warranty and, in the event that a representation proves to be untrue when made or in the event of a breach of warranty, the mortgage lender shall, at the option of the authority, repurchase the mortgage or secured loan for the original purchase price adjusted for amounts subsequently paid on it, as the authority determines.

6. The authority shall require the recording of an assignment of a mortgage loan purchased by it from a mortgage lender and is not required to notify the mortgagor of its purchase of the mortgage loan. The authority is not required to inspect or take possession of the mortgage documents if the mortgage lender from which the mortgage loan is purchased enters into a contract to service the mortgage loan and account to the authority for it.

7. If a provision of this section is inconsistent with another provision of law of this state governing mortgage lenders, the provision of this section controls for the purposes of this section.

Sec. 16. NEW SECTION. POWERS RELATING TO LOANS. Subject to any agreement with bondholders or noteholders, the authority may renegotiate a mortgage or secured loan or a loan to a mortgage lender in default, waive a default or consent to the modification of the terms of a mortgage or secured

loan or a loan to a mortgage lender, forgive or forbear all or part of a mortgage or secured loan or a loan to a mortgage lender and commence, prosecute and enforce a judgment in any action, including but not limited to a foreclosure action, to protect or enforce any right conferred upon it by law, mortgage or secured loan agreement, contract or other agreement and in connection with any action, bid for and purchase the property or acquire or take possession of it, complete, administer, pay the principal of and interest on any obligations incurred in connection with the property and dispose of and otherwise deal with the property in a manner the authority deems advisable to protect its interests.

Sec. 17. NEW SECTION. BONDS AND NOTES.

1. The authority may issue its negotiable bonds and notes in principal amounts which, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. However, the authority may not have a total principal amount of bonds and notes outstanding at any time in excess of one hundred fifty million dollars. The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code.

2. Bonds and notes are payable solely and only out of the moneys, assets or revenues of the authority and as provided in the agreement with bondholders or noteholders pledging any particular moneys, assets or revenues. Bonds or notes are not an obligation of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely and only from the sources provided in sections one (1) through thirty-two (32) of this Act, and the authority shall not pledge the credit or taxing power of this state or any political subdivision of this state other than the authority or make its debts payable out of any moneys except those of the authority.

3. Bonds and notes must be authorized by a resolution of the authority. However, a resolution authorizing the issuance of bonds or notes may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds or notes by an appropriate certificate of the authorized officer.

4. Bonds shall:

a. State the date and series of the issue, be consecutively numbered and state on their face that they are payable both as to principal and interest solely out of the assets of the authority and do not constitute an indebtedness of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limit.

b. Be either registered, registered as to principal only, or in coupon form, issued in denominations as the authority prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority

with the manual or facsimile signature of the chairperson or vice chairperson, attested by the manual or facsimile signature of the secretary, have impressed or imprinted thereon the seal of the authority or a facsimile of it, and the coupons attached shall be signed with the facsimile signature of the chairperson or vice chairperson, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed fifty years from the date of issuance, at places and with reserved rights of prior redemption, as the authority prescribes, be sold at prices, at public or private sale, and in a manner as the authority prescribes, and the authority may pay all expenses, premiums and commissions which it deems necessary or advantageous in connection with the issuance and sale, and be issued under and subject to the terms, conditions and covenants providing for the payment of the principal, redemption premiums, if any, interest and other terms, conditions, covenants and protective provisions safeguarding payment, not inconsistent with sections one (1) through thirty-two (32) of this Act, as are found to be necessary by the authority for the most advantageous sale, which may include, but are not limited to, covenants with the holders of the bonds as to those matters set forth in section two hundred twenty point twenty-six (220.26), subsection four (4), paragraph b, of the Code.

5. The authority may issue its bonds for the purpose of refunding any bonds or notes of the authority then outstanding, including the payment of any redemption premiums and any interest accrued or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of outstanding bonds or notes or the redemption of outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of sections one (1) through thirty-two (32) of this Act. The interest, income and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and subject to the provisions of sections one (1) through thirty-two (32) of this Act in the same manner and to the same extent as other bonds.

6. The authority may issue negotiable bond anticipation notes and may renew them from time to time but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. Notes are payable from any available moneys of the authority not otherwise pledged or from the proceeds of the sale of bonds in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the authority. Notes shall be issued in the same manner as bonds and notes and the resolution authorizing them may contain any provisions, conditions or limitations, not inconsistent with the provisions of this subsection, which the bonds or a bond resolution of the authority may contain. Notes may be sold at public or private sale. In case of default on

its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided in sections one (1) through thirty-two (32) of this Act for bondholders. Notes shall be as fully negotiable as bonds of the authority.

7. A copy of each pledge agreement by or to the authority, including without limitation each bond resolution, indenture of trust or similar agreement, or any revisions or supplements to it shall be filed with the secretary of state and no further filing or other action under article nine (9) of the uniform commercial code, or any other law of the state shall be required to perfect the security interest in the collateral or any additions to it or substitutions for it and the lien and trust so created shall be binding from and after the time made against all parties having claims of any kind in tort, contract or otherwise against the pledgor.

8. Members of the authority and any person executing its bonds, notes or other obligations are not liable personally on the bonds, notes or other obligations or subject to personal liability or accountability by reason of the issuance of the authority's bonds or notes.

9. The authority shall publish a notice of intention to issue bonds or notes in a newspaper published and of general circulation in the state. The notice shall include a statement of the maximum amount of bonds or notes proposed to be issued, and in general, what net revenues will be pledged to pay the bonds or notes and interest thereon. An action shall not be brought questioning the legality of the bonds or notes or the power of the authority to issue the bonds or notes or to the legality of any proceedings in connection with the authorization or issuance of the bonds or notes after sixty days from the date of publication of the notice.

Sec. 18. NEW SECTION. RESERVE FUNDS AND APPROPRIATIONS.

1. The authority may create and establish one or more special funds, each to be known as a "bond reserve fund" and shall pay into each bond reserve fund any moneys appropriated and made available by the state for the purpose of the fund, any proceeds of sale of notes or bonds to the extent provided in the resolutions of the authority authorizing their issuance and any other moneys which are available to the authority for the purpose of the fund from any other sources. Moneys held in a bond reserve fund, except as otherwise provided in sections one (1) through thirty-two (32) of this Act, shall be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.

2. Moneys in a bond reserve fund shall not be withdrawn from it in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this section, except for the purpose of making payment when due of principal, interest, redemption premiums and the sinking fund payments with respect to the bonds for the payment of which other moneys of the authority are not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the authority to other funds or

accounts of the authority to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.

3. The authority shall not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the authority at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund will not be less than the bond reserve fund requirement for the fund. For the purposes of this section, the term "bond reserve fund requirement" means, as of any particular date of computation, an amount of money, as provided in the resolutions of the authority authorizing the bonds with respect to which the fund is established, equal to not more than ten percent of the outstanding principal amount of bonds secured by the fund.

4. To assure the continued operation and solvency of the authority for the carrying out of its corporate purposes, provision is made in subsection one (1) of this section for the accumulation in each bond reserve fund of an amount equal to the bond reserve fund requirement for the fund. In order further to assure maintenance of the bond reserve funds, the chairperson of the authority shall, on or before July first of each calendar year, make and deliver to the governor a certificate stating the sum, if any, required to restore each bond reserve fund to its bond reserve fund requirement. Within thirty days after the beginning of the session of the general assembly next following the delivery of the certificate, the governor may submit to both houses printed copies of a budget including any sum required to restore each bond reserve fund to its bond reserve fund requirement. Sums appropriated by the general assembly and paid to the authority pursuant to this section shall be deposited by the authority in the applicable bond reserve fund.

5. Amounts paid over to the authority by the state pursuant to the provisions of this section shall constitute and be accounted for as advances by the state to the authority and, subject to the rights of the holders of any bonds or notes of the authority, shall be repaid to the state without interest from all available operating revenues of the authority in excess of amounts required for the payment of bonds, notes or obligations of the authority, the bond reserve fund and operating expenses.

6. The authority shall cause to be delivered to the legislative fiscal committee within ninety days of the close of its fiscal year its annual report certified by an independent certified public accountant, who may be the accountant or a member of the firm of accountants who regularly audits the books and accounts of the authority selected by the authority. In the event that the principal amount of any bonds or notes deposited in a bond reserve fund is withdrawn for payment of principal or interest thereby reducing the amount of that fund to less than the bond reserve fund requirement, the authority shall immediately notify the general assembly of this event and shall take steps to restore the fund to its bond reserve fund requirement from any amounts available, other than principal of a bond issue, which are not pledged to the payment of other bonds or notes.

Sec. 19. NEW SECTION. REMEDIES OF BONDHOLDERS AND NOTEHOLDERS.

1. If the authority defaults in the payment of principal or interest on an issue of bonds or notes at maturity or upon call for redemption and the default continues for a period of thirty days or if the authority fails or refuses to comply with the provisions of sections one (1) through thirty-two (32) of this Act, or defaults in an agreement made with the holders of an issue of bonds or notes, the holders of twenty-five percent in aggregate principal amount of bonds or notes of the issue then outstanding, by instrument filed in the office of the clerk of the county in which the principal office of the authority is located and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds or notes for the purposes provided in this section.

2. The authority or any trustee appointed under the indenture under which the bonds are issued may, but upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of bonds or notes then outstanding shall:

a. Enforce all rights of the bondholders or noteholders including the right to require the authority to carry out its agreements with the holders and to perform its duties under sections one (1) through thirty-two (32) of this Act.

b. Bring suit upon the bonds or notes.

c. By action require the authority to account as if it were the trustee of an express trust for the holders.

d. By action enjoin any acts or things which are unlawful or in violation of the rights of the holders.

e. Declare all the bonds or notes due and payable and if all defaults are made good then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of bonds or notes then outstanding, annul the declaration and its consequences.

3. The trustee shall also have all powers necessary or appropriate for the exercise of functions specifically set forth or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

4. Before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days notice in writing to the governor, to the authority and to the attorney general of the state.

5. The district court has jurisdiction of any action by the trustee on behalf of bondholders or noteholders. The venue of the action shall be in the county in which the principal office of the authority is located.

Sec. 20. NEW SECTION. AGREEMENT OF THE STATE. The state pledges and agrees with the holders of any bonds or notes that the state will not limit or alter the rights vested in the authority to fulfill the terms of agreements made with the holders or in any way to impair the rights and remedies of the holders until the bonds or notes together with the interest on them, plus interest on unpaid installments of interest, and all costs and expenses in connection with an action by or on behalf of the holders are fully met and discharged. The authority may include this pledge and agreement of the state in any agreement with the holders of bonds or notes.

Sec. 21. NEW SECTION. BONDS AND NOTES AS LEGAL INVESTMENTS. Bonds and notes are securities in which public officers, state departments and agencies, political subdivisions, insurance companies and other persons carrying on an insurance business, banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, administrators, executors, guardians, conservators, trustees and other fiduciaries and other persons authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds and notes are also securities which may be deposited with and may be received by public officers, state departments and agencies and political subdivisions for any purpose for which the deposit of bonds or other obligations of this state is authorized.

Sec. 22. NEW SECTION. MONEYS OF THE AUTHORITY.

1. Moneys of the authority, except as otherwise provided in sections one (1) through thirty-two (32) of this Act, shall be paid to the authority and shall be deposited in a bank or other financial institution designated by the authority. The moneys shall be withdrawn on the order of the person authorized by the authority. Deposits shall be secured in the manner determined by the authority. The auditor of state or the auditor's legally authorized representatives may periodically examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing, and the authority shall not be required to pay a fee for the examination.

2. The authority may contract with holders of its bonds or notes as to the custody, collection, security, investment and payment of moneys of the authority, of moneys held in trust or otherwise for the payment of bonds or notes and to carry out the contract. Moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and deposits of the moneys may be secured in the same manner as moneys of the authority and banks and trust companies may give security for the deposits.

3. Subject to the provisions of any contract with bondholders or noteholders and to the approval of the state comptroller, the authority shall prescribe a system of accounts.

4. The authority shall submit to the governor, the auditor of state and the state comptroller, within thirty days of its receipt, a copy of the report of every external examination of the books and accounts of the authority other than copies of the reports of examinations made by the auditor of state.

Sec. 23. NEW SECTION. LIMITATION OF LIABILITY. Members of the authority and persons acting in its behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties given in sections one (1) through thirty-two (32) of this Act.

Sec. 24. NEW SECTION. ASSISTANCE BY STATE OFFICERS, AGENCIES AND DEPARTMENTS. State officers and state departments and agencies may render services to the authority within their respective functions as requested by the authority.

Sec. 25. NEW SECTION. LIBERAL INTERPRETATION. Sections one (1) through thirty-two (32) of this Act, being necessary for the welfare of this state and its inhabitants, shall be liberally construed to effect its purposes.

Sec. 26. NEW SECTION. CONFLICTS OF INTEREST.

1. If a member or employee other than the executive director of the authority has an interest, either direct or indirect, in a contract to which the authority is or is to be a party or in a mortgage lender requesting a loan from or offering to sell mortgage or secured loans to the authority, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of the authority. The member or employee having the interest shall not participate in action by the authority with respect to that contract or mortgage lender.

2. This section does not limit the right of a member, officer or employee of the authority to acquire an interest in bonds or notes or to limit the right of a member or employee other than the executive director to have an interest in a bank or other financial institution in which the funds of the authority are deposited or which is acting as trustee or paying agent under a trust indenture to which the authority is a party.

3. The executive director shall not have an interest in a bank or other financial institution in which the funds of the authority are deposited or which is acting as trustee or paying agent under a trust indenture to which the authority is a party. The executive director shall not receive, in addition to fixed salary or compensation, any money or valuable thing, either directly or indirectly, or through any substantial interest in any other corporation or business unit, for negotiating, procuring, recommending or aiding in any purchase or sale of property or loan made by the authority, nor shall the executive director be pecuniarily interested, either as principal, co-principal, agent or beneficiary, either directly or indirectly or through any substantial interest in any other corporation or business unit, in any purchase, sale or loan.

Sec. 27. NEW SECTION. EXEMPTION FROM COMPETITIVE BID LAWS. The authority and all contracts made by it in carrying out its public and essential governmental functions under sections fourteen (14) and fifteen (15) of this Act, shall be exempt from the laws of the state which provide for competitive bids in connection with such contracts.

Sec. 28. NEW SECTION. AGENCY. The authority shall make application to and receive from the secretary of agriculture of the United States, or any other proper federal official, pursuant and subject to the provisions of Pub. L. No. 499, 64 Stat. 152 (1950), (formerly codified 40 U.S.C. 440 et seq. (1976)) all of the trust assets held by the United States in trust for the Iowa rural rehabilitation corporation now dissolved.

Sec. 29. NEW SECTION. AGREEMENTS. The authority may enter into agreements with the secretary of agriculture of the United States pursuant to Pub. L. No. 499 s. 2(f) (1950) upon terms and conditions and for periods of time as mutually agreeable, authorizing the authority to accept, administer, expend and use in the state of Iowa all or any part of the trust assets or other funds in the state of Iowa which have been appropriated for use in carrying out the purposes of the Bankhead-Jones Farm Tenant Act and to do any

and all things necessary to effectuate and carry out the purposes of said agreements.

Sec. 30. NEW SECTION. ASSETS--ACCOUNT. The trust assets received under the application made pursuant to section twenty-eight (28) of this Act other than cash shall be taken on proper transfer or assignment from the department of social services to the authority and administered as provided in sections one (1) through thirty-two (32) of this Act. These funds may be used for any of the purposes of sections one (1) through thirty-two (32) of this Act, including but not limited to costs of administration and insuring or guaranteeing payment of all or a portion of loans made pursuant to sections one (1) through thirty-two (32) of this Act.

Sec. 31. NEW SECTION. PROGRAMS IN PROGRESS. The authority shall complete the administration of programs in progress on the effective date of this Act to the extent that funds were committed, obligations incurred or rights accrued prior to the effective date of this Act under the programs authorized under sections two hundred thirty-four point fifteen (234.15) through two hundred thirty-four point twenty (234.20) of the Code prior to the repeal of those sections by this Act. Moneys received under this section shall be deposited to the authority.

Sec. 32. NEW SECTION. LIABILITY. The United States, the authority and the secretary of agriculture of the United States shall be held free from liability by virtue of the transfer of the assets to the authority. The authority and persons acting in its behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out their powers and duties under sections one (1) through thirty-two (32) of this Act.

Sec. 33. Section two hundred twenty point ten (220.10), subsection one (1), Code 1979, is amended to read as follows:

1. All moneys declared by the authority to be surplus moneys which are not required to service bonds and notes issued by the authority, to pay administrative expenses of the authority, or to accumulate necessary operating or loss reserves, shall be used by the authority to pay administrative expenses of or provide loans to the Iowa family farm development authority in connection with the programs authorized in the Iowa family farm development Act or to provide grants, subsidies, and services to lower income families and very low income families through any of the programs authorized in this chapter.

Sec. 34. Section two hundred twenty point eleven (220.11), Code 1979, is amended to read as follows:

220.11 COMBINATION PROGRAMS. Any programs authorized in this chapter may be combined with any other programs authorized in this chapter or in the Iowa family farm development Act in order to facilitate as far as practicable the provision of adequate housing to low and moderate income families.

Sec. 35. Section four hundred nineteen point one (419.1), subsection two (2), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter eighty-nine (89), section one (1), and chapter ninety (90), section one (1), is amended to read as follows:

2. "Project" means all or any part of, or any interest in, (a) any land, buildings or improvements, whether or not in existence at the time of issuance of the bonds issued under authority of this chapter, which shall be suitable for the use of any voluntary nonprofit hospital, clinic or health care facility as defined in section 135C.1, subsection 4, or of any private college or university, or any state institution governed under chapter 262, whether for the establishment or maintenance of such college or university, or of any industry or industries for the manufacturing, processing or assembling of any agricultural or manufactured products, even though such processed products may require further treatment before delivery to the ultimate consumer, or of any commercial enterprise engaged in storing, warehousing or distributing products of agriculture, mining or industry including but not limited to barge facilities and river-front improvements useful and convenient for the handling and storage of goods and products, or of a national, regional or divisional headquarters facility of a company that does multistate business, or of a beginning businessperson for any purpose or (b) pollution control facilities which shall be suitable for use by any industry, commercial enterprise or utility. "Pollution control facilities" means any land, buildings, structures, equipment, pipes, pumps, dams, reservoirs, improvements, or other facilities useful for the purpose of reducing, preventing, or eliminating pollution of the water or air by reason of the operations of any industry, commercial enterprise or utility. "Improve", "improving" and "improvements" shall embrace any real property, personal property or mixed property of any and every kind that can be used or that will be useful in connection with a project, including, without limiting the generality of the foregoing, rights-of-way, roads, streets, sidings, trackage, foundations, tanks, structures, pipes, pipelines, reservoirs, utilities, materials, equipment, fixtures, machinery, furniture, furnishings, improvements, instrumentalities and other real, personal or mixed property of every kind, whether above or below ground level.

Sec. 36. Section four hundred nineteen point one (419.1), Code 1979, as the section is amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter eighty-nine (89), section one (1), and chapter ninety (90), section one (1), is amended by adding the following new subsection:

NEW SUBSECTION. "Beginning businessperson" means an individual with an aggregate net worth of the individual and the individual's spouse and children of less than one hundred thousand dollars. Net worth means total assets minus total liabilities as determined in accordance with generally accepted accounting principles.

Sec. 37. Section four hundred nineteen point two (419.2), subsection five (5), Code 1979, as the section is amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter eighty-nine (89), section two (2), and chapter ninety-one (91), section one (1), is amended to read as follows:

5. To issue revenue bonds for the purpose of defraying the cost of any project and to secure payment of such bonds as provided in this chapter. However, in the case of a project suitable for the use of a beginning businessperson, the bonds may not exceed the aggregate principal amount of five hundred thousand dollars.

Sec. 38. Section five hundred two point two hundred two (502.202), Code 1979, as amended by Acts of the Sixty-eighth General Assembly, 1979 Session, chapter one hundred twenty (120), sections five (5) and six (6), is amended by adding the following new subsection:

NEW SUBSECTION. Any security issued by the Iowa family farm development authority under sections one (1) through thirty-two (32) of this Act.

Sec. 39. TRANSFER OF EXISTING ASSETS AND LIABILITIES. The trust assets and liabilities of the former Iowa rural rehabilitation corporation under the jurisdiction of the department of social services shall be transferred to the jurisdiction of the authority on the effective date of this Act. The authority shall be the successor in interest to the agreements in effect between the United States government and the department of social services on behalf of the state of Iowa on the effective date of this Act.

Sec. 40. Sections two hundred thirty-four point fifteen (234.15), through two hundred thirty-four point twenty (234.20), Code 1979, are repealed.

Approved May 23, 1980

CHAPTER 1051
SOYBEAN PROMOTION

S. F. 2238

AN ACT relating to the Iowa soybean promotion law by increasing the maximum soybean assessment, requiring the Iowa soybean promotion board to collect the statutory soybean assessment and to pay refunds, making the ex officio board members nonvoting, deleting certain references to the American soybean association and American soybean institute, and adding a new definition.

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

Section 1. Section one hundred eighty-five point one (185.1), subsections nine (9) and eleven (11), Code 1979, are amended to read as follows:

9. "Soybeans" means and includes all kinds of varieties of soybeans ~~grown in-this-state-and~~ marketed or sold as soybeans by the producer.

11. "Assessment" means an excise tax on each bushel of soybeans ~~raised and-sold~~ marketed in this state as provided in this chapter.

Sec. 2. Section one hundred eighty-five point one (185.1), Code 1979, is amended by adding the following new subsection:

NEW SUBSECTION. "Marketed in this state" refers to a sale of soybeans to a first purchaser who is a resident of or doing business in this state where actual delivery of the soybeans occurs in this state.

Sec. 3. Section one hundred eighty-five point ten (185.10), Code 1979, is amended to read as follows: