

CHAPTER 258**INTERNATIONAL TRADE AND TECHNOLOGY***H.F. 686*

AN ACT establishing an international network on trade, establishing the Wallace technology transfer foundation of Iowa, authorizing the issuance of bonds, and providing effective dates.

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

Section 1. NEW SECTION. 18B.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Business" means a commercial enterprise engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate or intrastate commerce, or the production of agricultural products from farming as defined in section 175.2, but excludes retail, health, or professional services. "Business" includes a financial institution, including an insured bank as defined in section 524.103, a credit union is defined in section 533.1, and an association as defined in section 534.102.

2. "Executive director" means the executive director of the board as established in section 18B.8.

3. "Fund" means the international network on trade fund created in section 18B.11.

4. "INTERNET" means the International network on trade as established in section 18B.3.

Sec. 2. NEW SECTION. 18B.2 LEGISLATIVE FINDINGS.

The general assembly finds and declares that:

1. The economic viability of the state depends upon enhancing Iowa's participation in the emerging global economy.

2. Iowa's successful participation in international trade depends upon a commitment between public and private sectors and between public agencies to assist businesses in enhancing the export of Iowa products.

3. Successful participation in international trade depends upon public agencies reaching out to provide special assistance to small and medium sized businesses interested in beginning or increasing the export of Iowa products.

4. Successful participation in international trade depends upon fostering international business research and training to expand opportunities by Iowa businesses to increase trade in viable foreign markets.

5. Iowa businesses are in need of a simple nonbureaucratic mechanism which serves as a key for Iowa businesses to reach sources designed to assist businesses in accessing foreign markets or increasing foreign trade.

Sec. 3. NEW SECTION. 18B.3 ESTABLISHMENT OF INTERNET — MISSION. The international network on trade is established to conduct long-range research quantifying product and geographical opportunities for Iowa producers in the global marketplace, including determining actions necessary, by public or private sector groups, to successfully exploit those opportunities. Research shall be conducted in concert with private sector members of INTERNET, higher educational institutions, and existing export support resources, including but not limited to the department of economic development, the department of agriculture and land stewardship, and the United States department of commerce. INTERNET at all times shall avoid duplication of resource programs. INTERNET shall recommend a coordinated international trade policy designed to substantially increase Iowa's global trade benefits.

Sec. 4. NEW SECTION. 18B.4 AUTHORIZED CORPORATION. The international network on trade shall be incorporated under chapter 504A. INTERNET shall not be regarded as a state agency, except for purposes of chapter 17A. A member of the board of directors is not considered a state employee, except for purposes of chapter 25A. If the executive director is a natural person acting as a salaried employee of the board, the executive director is

a state employee except for purposes of the merit system provisions of chapter 19A and chapter 20. A natural person hired by the executive director who is a salaried employee of the board is a state employee. However, if a person, including a staff member of INTERNET, is an independent contractor or an employee of an independent contractor, the person is not a state employee except for purposes of chapter 25A.

Sec. 5. NEW SECTION. 18B.5 BOARD OF DIRECTORS.

1. INTERNET shall be governed by a board of directors consisting of the following:
 - a. The president of the university of Iowa, or the president's designee.
 - b. The president of Iowa state university of science and technology, or the president's designee.
 - c. The president of the university of northern Iowa, or the president's designee.
 - d. The director of the department of economic development, or the director's designee.
 - e. The chairperson of the agricultural products advisory council, who shall serve as an ex officio nonvoting member.
 - f. The secretary of agriculture or the secretary's designee.
 - g. Three designees of the Iowa association of independent colleges and universities. The association shall give preference to appointing designees representing schools which are members of INTERNET.
 - h. Three designees of the Iowa association of community college presidents. A designee shall not represent more than one community college.
 - i. Four designees who are elected from the business membership. The designees must be business persons actively engaged in international trade. At least two of the persons must have experience in exporting and at least one of the persons must have experience in international finance. No two members shall represent the same business.
 - j. Two designees who are elected from the business membership. The designees must represent associations operating not for profit to promote or facilitate international trade on a local or regional basis. No two designees shall be employees of the same association.
2. The voting members of the board shall serve staggered terms of four years except that of the first terms, seven voting members shall serve terms of two years. A person appointed to fill a vacancy for a director shall serve only for the unexpired portion of the term. A director is eligible for reappointment. A director may be removed from office by a two-thirds vote of the board for misfeasance, malfeasance, or willful neglect of duty or other just cause after notice and hearing, unless the notice and hearing is expressly waived by the director in writing.
3. In designating or electing persons to serve on the board, INTERNET members, to the extent practicable, shall designate or elect a board membership which is geographically and gender balanced.
4. Nine voting members constitute a quorum and the affirmative vote of a majority of the voting members is necessary for substantive action taken by the board. The majority shall not include a voting member who has a conflict of interest and a statement by a voting member that the voting has a conflict of interest is conclusive for this purpose. A vacancy in the board's membership does not impair the right of a quorum to exercise all rights and perform all duties of the board.
5. The directors actively engaged in international trade, the directors representing international trade associations, and the directors appointed by the Iowa association of independent colleges and universities are entitled to receive forty dollars per diem for each day spent in performance of duties as directors, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties as directors.
6. The board shall elect a chairperson from among its directors.
7. Meetings of the board shall be held at the call of the chairperson or at the written request of four directors to the chairperson.

Sec. 6. NEW SECTION. 18B.6 GENERAL POWERS.

The board established pursuant to section 18.5 shall have all the general powers needed to carry out its mission and duties, including but not limited to the following powers:

1. To sue and be sued in its own name.
2. To adopt a corporate seal.
3. To adopt bylaws for its management consistent with the provisions of this chapter.
4. To make and execute agreements, contracts and other instruments, with any public or private entity, including but not limited to a federal or governmental agency, foreign nation, or another state in the union. All political subdivisions, other public agencies and state agencies may enter into contracts and otherwise cooperate with the board.
5. To procure insurance against any loss in connection with its operations and property interests.
6. To fix and collect fees and charges for its services.
7. To accept contributions, including but not limited to appropriations, gifts, grants, loans, services, or other aid or assistance from public or private entities. A record of all contributions, stating the type, amount, and donor, shall be clearly set forth in the board's annual report along with the record of other receipts.

Sec. 7. NEW SECTION. 18B.7 INTERNET MEMBERSHIP.

1. INTERNET shall include academic and business members.
 - a. The academic members shall include the following:
 - (1) The university of Iowa.
 - (2) Iowa state university of science and technology.
 - (3) The university of northern Iowa.
 - (4) Each area community college within a merged area as established in chapter 280A.
 - (5) A private college or university which agrees to participate as an INTERNET member and is a member of the Iowa association of independent colleges and universities.
 - b. The business members shall include any business actively involved in international trade, including export trade, export assistance, or international finance.
 2. a. The academic members shall cooperate with the board in accomplishing the mission and duties of the board as provided in this chapter. Each member shall execute a membership agreement with the board. A member under the terms of the agreement shall provide an annual contribution as provided by the board. The contribution shall relate to supporting programs administered by the board, and may include financial or in-kind assistance such as office space, personnel time, materials and supplies, or a combination of financial or in-kind assistance. A minimum contribution is required to become an academic member.
 - b. The business members shall cooperate with the board in accomplishing the mission and duties of the board as provided in a membership agreement executed between the board and the members. A member under the terms of the agreement shall make an annual contribution as provided by the board. The contribution shall relate to supporting programs administered by the board and may include financial or in-kind assistance such as office space, personnel time, materials and supplies or a combination of financial or in-kind assistance. A minimum contribution is required to become a business member.
 3. A member, other than the university of Iowa, Iowa state university of science and technology, the university of northern Iowa, or a community college, may withdraw from membership and all commitments entered into between the board and the member after one year following written notice by the member delivered to the executive director. The terms of the membership agreement executed between the board and the member shall terminate one year following written notice of the member's withdrawal, unless the board and the member otherwise agree in writing.

Sec. 8. NEW SECTION. 18B.8 EXECUTIVE DIRECTOR.

1. Under the general direction of the board, the executive director shall do all of the following:

- a. Manage and operate the INTERNET, including hiring and directing INTERNET staff whether salaried employees of the board or independent contractors.
- b. Establish subcommittees of business and academic specialists as needed. The specialists shall be consulted as program areas are developed and individual projects are selected for funding.
- c. Keep the membership of INTERNET informed of items of importance relating to programs or projects of INTERNET, INTERNET finances, and actions by the board.
- d. Negotiate membership agreements, including terms relating to the contribution of a member, according to section 18B.7.
- e. Advise the board on matters relating to the mission of INTERNET, including programs and projects under consideration or implementation by the board and finances of INTERNET.
- f. Recommend bylaws, and rules to be adopted by the board.
- g. Control INTERNET finances, including appropriations, and contributions, and approve expenses from the fund in a manner consistent with rules and procedures of the treasurer of state.
- h. Report to the board the condition of INTERNET including programs, projects, and INTERNET finances, at least once each three months. The executive director shall prepare for board approval an annual report provided in section 18B.10.

2. The executive director shall not, directly or indirectly exert influence to induce any other officer or employee of the state to adopt a political view, or to favor a political candidate for office.
3. The executive director shall serve as secretary to the board, and shall be custodian of all documents, including books and papers filed with the authority of the minutes of board meetings. The executive director shall make copies of documents and provide certificates under seal that the copies are true copies and that all persons dealing with INTERNET may rely upon the certificates.

Sec. 9. DUTIES.* 18B.9 BOARD DUTIES.

The board shall carry out the mission of INTERNET and shall have discretionary authority to perform the following duties:

1. To appoint and direct an executive director and employ INTERNET staff, including the executive director, as salaried employees of INTERNET or as independent contractors.
2. To approve the budget of INTERNET for each fiscal year.
3. To adopt goals and objectives of INTERNET, including recommendations to the general assembly and governor of a coordinated trade policy designed to substantially increase Iowa's global trade benefits.
4. To target for assistance businesses or products which indicate a high potential for expansion in foreign markets.
5. To provide special assistance to small and medium sized businesses interested in beginning or increasing the export of Iowa products.
6. To conduct special research projects, including product research in foreign markets.
7. To inventory and catalog international resources of information, including experts and programs, available to provide assistance to businesses interested in foreign trade.
8. To establish a clearinghouse of information to refer to appropriate resources businesses interested in accessing foreign markets or expanding foreign trade.
9. To establish criteria and award grants or loans based only on a competitive basis for programs relating to international training or research. In making financial awards, preference shall be given to members, as provided in section 18B.7.
10. To facilitate contact between businesses in search of assistance in entering or expanding foreign trade and persons able to assist the business.
11. To cooperate with Iowa universities and colleges, governmental agencies, and businesses where collaboration would add value to international trade programs or increase opportunities in foreign markets for increased trade.
12. To recruit business and colleges to become INTERNET members as provided in section 18B.7.

*New Section probably intended

13. In order to leverage state funds appropriated to INTERNET, to actively seek financial support from nonstate sources, including from the federal government, and from businesses. The board may require a match from nonstate sources for programs, seek generic business support for INTERNET, seek support from business in one or more industries for programs which may benefit those businesses, or charge fees for services provided under the authority of INTERNET. The board shall use INTERNET resources to the maximum extent possible in order to seek matching funds, gifts, grants or additional assets, including funding sources.

14. To conduct international research according to requests from INTERNET members.

15. To regularly disseminate to INTERNET members information and issues relating to international trade, including data and findings from market studies.

16. To monitor changing world economic and political conditions.

17. To report annually about INTERNET to the governor and the general assembly as provided in section 18B.10.

18. To oversee the progress of programs and projects administered by INTERNET and monitor the status of INTERNET assets, including finances.

19. To approve membership agreements, including terms relating to contributions of members as provided in section 18B.7.

20. To approve any contract or agreement committing INTERNET to the substantial expenditure of INTERNET assets.

21. To adopt bylaws for INTERNET, approve other procedures relating to the day-to-day administration of INTERNET, and adopt rules consistent with chapter 17A.

Sec. 10. NEW SECTION. 18B.10 ANNUAL REPORT.

1. The board shall approve and submit to the governor and to the secretary of the senate and to the chief clerk of the house of representatives, not later than January 15 of each year, a report setting forth information relating to INTERNET, including all of the following:

a. Matters relating to operations and accomplishments.

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

c. A summary of assets and liabilities at the end of the fiscal year and the status of special accounts.

d. A statement of proposed and projected activities.

e. Recommendations to the general assembly and governor, including recommendations related to a coordinated trade policy designed to substantially increase Iowa's global trade benefits.

2. The annual report shall identify performance goals of INTERNET, and indicate the extent of progress during the reporting period, in attaining the goals.

Sec. 11. NEW SECTION. 18B.11 INTERNATIONAL NETWORK ON TRADE FUND.

There is created within the state treasury, an international network on trade fund. The fund is composed of money appropriated by the general assembly for that purpose, and moneys available to and obtained or accepted by the board under this chapter, including money from the United States, other states in the union, foreign nations, state agencies, political subdivisions, and private sources, and moneys from fees charged under this chapter.

The fund shall be a revolving fund from which moneys may be used for purposes described in this chapter, including loans, grants, matching financing, and administrative costs. All interest earned on proceeds in the fund shall remain in the fund.

The auditor of state shall conduct regular audits of the fund and shall make a certified report relating to the condition of the fund to the treasurer of state and to the executive director.

The board and executive director shall administer the fund as in accordance with procedures of the treasurer of state. In administering the fund, the board may do all of the following:

1. Contract, sue and be sued, and adopt rules necessary to carry out the provisions of this section, but the board shall not in any manner, directly or indirectly pledge the credit of the state.

2. Authorize payment from the fund, from fees and from any income received by investment of money in the fund, for cost, commissions, attorney fees, and other reasonable expenses related to and necessary for making and protecting direct loans under this section, and for the recovery of moneys loaned or the management of property acquired in connection with the loans.

Section 8.33 shall not apply to moneys in the fund.

Sec. 12. Section 15.108, subsection 1, paragraph d, Code 1989, is amended by striking the paragraph.

Sec. 13. NEW SECTION. 28.151 WALLACE TECHNOLOGY TRANSFER FOUNDATION OF IOWA ESTABLISHED – MISSION.

The general assembly finds and declares that the public good requires that Iowa successfully participate and compete in the emerging world economy. A Wallace technology transfer foundation of Iowa is established to formulate and implement plans and programs for the development of advanced sciences and technologies and to facilitate their commercial application within the state, including determining the needs of individual Iowa businesses and farms for scientific and technological innovations to improve products and processes, and encouraging the transfer of the technology from the laboratory to the factory and farm.

The mission of the foundation shall include but is not limited to the following:

1. A program to identify barriers which may hinder the development and exploitation of technology in the global economy.

2. Continued development of Iowa's capacity for scientific and technological innovation.

3. A cooperative, coordinated program of forecasting, assessment, development, and commercial transfer involving Iowa's capacity for scientific and technological innovation.

4. Formulation of a long-range strategic plan to guide state investment in applied research, development, and commercial transfer of selected scientific and technological innovation and in the development of Iowa science infrastructure.

5. A mechanism to organize funding from a variety of sources to support the development and commercial transfer of scientific and technological innovation.

6. An outreach program to actively seek and improve products and processes with Iowa's scientific and technological innovations.

7. Establishment of a seed capital fund which shall be administered by the board to provide seed capital for the commercialization of products, or the development of processes or materials through research at Iowa colleges and universities or by private industry.

The foundation consists of a board of directors, an advisory council, an executive director, and staff.

Sec. 14. NEW SECTION. 28.153 AUTHORIZED CORPORATION.

A Wallace technology transfer foundation of Iowa foundation shall be incorporated under chapter 504A. The foundation shall not be regarded as a state agency, except for purposes of chapter 17A. A member of the board of directors is not considered a state employee, except for purposes of chapter 25A. The executive director is a state employee except for purposes of the merit system provisions of chapter 19A and chapter 20. A natural person employed by the executive director is a state employee.

Sec. 15. NEW SECTION. 28.154 BOARD OF DIRECTORS.

1. The board of directors is established consisting of the following standing members and governor-appointed members:

a. The following standing members:

(1) One board member to represent each state university's consortium appointed by the president of each state university.

(2) A president of a merged area school, or the president's designee, appointed by the Iowa association of community college presidents.

(3) A president of an Iowa independent college or university, or the president's designee, appointed by the Iowa association of independent colleges and universities.

(4) The director of the department of economic development or the director's designee.

(5) The chairperson of the Iowa product development corporation.

(6) A shareholder member of the business development finance corporation elected by the business development finance corporation board.

(7) The secretary of agriculture or the secretary's designee.

(8) The governor's science advisor.

(9) Five persons appointed by the governor, subject to senate confirmation, three of whom shall be persons involved directly in research and development of technology-based industries or persons with experience in technology, and two of whom shall be directly involved in agriculture-related enterprises.

b. The following ex officio, nonvoting members:

Four board members, with one board member appointed by each of the following persons: the speaker of the house of representatives, the minority leader of the house of representatives, the majority leader of the senate, and the minority leader of the senate.

2. The board of directors shall be bipartisan and gender balanced in accordance with sections 69.16 and 69.16A.

3. The terms of the appointed members shall be for four years and shall be staggered as determined by the standing members. Any vacancy shall be filled by the appointing authority. Members are eligible for actual expense reimbursement while fulfilling duties of the foundation. The governor and the legislative council shall convene the initial meeting of the board. The board shall elect a chairperson from among its members.

Sec. 16. NEW SECTION. 28.155 GENERAL POWERS AND DUTIES.

The board of directors shall have all the general powers needed to carry out its mission and duties including but not limited to the following:

1. To prepare and adopt a strategic plan as defined in section 28.157.
2. To fund research projects as defined in section 28.158.
3. To sue and be sued in its own name.
4. To adopt a corporate seal.
5. To adopt bylaws for its management consistent with the provisions of this division.
6. To make and execute agreements, contracts and other instruments, with any public or private entity, including but not limited to a state, federal, or other governmental agency.
7. To accept contributions, including but not limited to appropriations, gifts, grants, loans, services, or other aid or assistance from public or private entities. A record of all contributions, stating the type, amount, and donor, shall be clearly set forth in the board's annual report along with a record of other receipts.
8. To establish policy in the general administration of the affairs of the foundation.
9. To employ an executive director and authorize the hiring of other employees as it deems necessary.
10. To seek to achieve through the powers of the board the findings of section 28.151.
11. To collaborate with the consortia as established in chapter 262B.
12. To provide as necessary, staff services for the advisory council.
13. To convene the advisory council annually to receive the board of director's recommendations.
14. To establish committees of business, agriculture, academic specialists, or others as deemed necessary.
15. Submit an annual report to the governor, the secretary of the senate, and the chief clerk of the house of representatives, not later than November 1 of each year.
16. To collaborate with the Iowa product development corporation to acquire new technology where appropriate.

Sec. 17. NEW SECTION. 28.156 EXECUTIVE DIRECTOR — DUTIES.

Under the general direction of the board of directors, the executive director shall have the following duties:

1. Manage and operate the foundation, including employing and directing foundation staff.
2. Advise the board on matters relating to the mission of the foundation, or finances and actions of the board.
3. Make an annual report to the board for its approval of the foundation's activities and fiscal condition, including:
 - a. Matters relating to operations and accomplishments.
 - b. A summary of receipts and expenditures, in accordance with the classifications the board establishes for its operating accounts.
 - c. A summary of assets and liabilities and the status of special accounts.
 - d. A statement of proposed and projected activities.
 - e. Recommendations to the general assembly.
 - f. An identification of performance goals of the foundation and the extent of progress during the reporting period in attaining the goals.
 - g. A written report by the auditor of state pursuant to chapter 11.
4. Monitor the activities and receive copies of the annual report made pursuant to section 262B.5 of the research consortia located at Iowa state university of science and technology, the university of Iowa, and the university of northern Iowa.
5. Collect pertinent information on research in process and funding requests where appropriate at Iowa state university of science and technology, the university of Iowa, and the university of northern Iowa for the purpose of encouraging technology transfer where appropriate.

Sec. 18. NEW SECTION. 28.157 STRATEGIC PLAN FOR SCIENCE AND TECHNOLOGY DEVELOPMENT.

1. The foundation shall prepare a strategic plan for development of advanced technologies in Iowa. The plan shall serve as the basis for general foundation activities.
2. The plan shall set forth the foundation's findings with regard to fields of scientific research which offer the greatest potential for commercial development within the state. The plan shall propose programs to enhance the effectiveness of Iowa university and college and private sector research facility participation in such fields of research and for improving the transfer of research technology to the private sector.
3. The plan shall include findings and recommendations for the coordination of activities of technology centers operated by regents' universities, the center for industrial research and service, the small business development centers, and programs of the department of economic development, all of which shall cooperate with the foundation in formulation of the plan.
4. The plan shall be formulated in cooperation with university-based research consortia at the three regents' universities, private colleges and universities, community colleges, and private business. The plan shall include findings with regard to research interest of private business and agriculture, on improving accessibility of private business to university technology resources, identification of barriers to effective technology transfer, and on fields of research having potential for commercial utilization by Iowa firms and farms. The plan shall include the availability and possible acquisition of advanced technology nationally and internationally for transfer to Iowa technological projects.
5. The plan shall be formulated to provide for the strengthening and expansion of existing industry and agriculture, the creation of new business where deemed necessary and feasible, and the attraction of technology-based businesses to the state.
6. The plan shall include directions for participation by the foundation, through direct investment or in partnership or joint venture with a commercial investor or other financial source, in providing funds for development of existing or new businesses in Iowa engaged in commercial exploitation of products or technologies related to the research interests of the foundation.

Sec. 19. NEW SECTION. 28.158 FUNDING OF ACTIVITIES.

1. The foundation may receive state appropriations and other resources for purposes including but not limited to the following:

a. To provide financial assistance to research projects which are consistent with the commercial development objectives of the strategic plan and which involve collaboration between an Iowa college, community college, or university and a private firm. The foundation shall provide a peer review process for projects and research funded by the foundation.

b. To undertake market studies and other analyses of commercial applications of existing or potential research and development efforts.

c. To provide applied technology outreach services and programs.

d. To review existing licenses and patents and bring potentially applicable information to the attention of the board and the Iowa-based industries for which the patent and license information might be applicable.

e. To review current research.

f. To regularly monitor the industrial and agricultural base of Iowa and, when possible, to encourage contact between research efforts and appropriate industries.

2. The foundation shall have authority over state funds appropriated to the foundation for research, development, and technology transfer projects. State funds awarded by the foundation shall be matched by nonstate sources. The foundation shall establish by administrative rule the requirements for the matching of state funds by nonstate sources. The rules shall include but are not limited to the following nonstate sources for meeting the matching requirements:

a. Laboratory space provided by the private sector collaborator.

b. Financial assistance.

c. Personnel and technical services.

d. Machinery or equipment.

3. The foundation shall seek financial support for its activities from private sources and from programs of the federal government for support of the research interests and other activities set forth in the strategic plan.

4. The foundation is to encourage aggressive pursuit of sponsored research by persons affiliated with Iowa colleges and universities and by private business, without regard to the relationship of such research to the foundation's program or to the strategic plan. The foundation shall not control research prerogatives of colleges or universities, their faculty, or private persons, or businesses. The foundation may, upon request, provide assistance to colleges and universities for acquisition of financial support for research activities from federal government and other sources.

5. The foundation shall coordinate with other state and federal entities the following activities:

a. The establishment of funding for the projects under subsection 1.

b. The review of current research policy direction.

c. The provision of technical outreach services to existing Iowa business, industry, and agriculture.

The foundation may sponsor applications of or formally recommend specific projects to any private, state, federal, or local program.

Sec. 20. NEW SECTION. 28.158A BONDS AND NOTES — AUTHORITY.

1. The foundation may issue its own negotiable bonds and notes in principal amounts as, in the opinion of the foundation, are necessary to provide sufficient funds for achievement of its corporate purposes. The foundation shall coordinate the issuance of notes and bonds with the treasurer of state as set forth in section 12.30. The foundation shall issue bonds and notes to the extent not inconsistent with the limitations and restrictions of issuing bonds and notes under sections 220.26, 220.27, and 220.28.

2. Bonds and notes issued by the foundation are payable solely and only out of the moneys, assets, or revenues of the foundation, 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 foundation within the meaning of any constitutional or statutory debt limitations, but are special obligations of the foundation payable solely and only from the sources provided in this section, and the foundation shall not pledge the credit or taxing power of this state or any political subdivision of this state other than the foundation, or make its debts payable out of any moneys except those of the foundation.

3. The foundation may create and establish one or more special funds, to be known as "bond reserve funds", 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 foundation authorizing their issuance, and any other moneys which may be available to the foundation for the purpose of the fund from any other sources. All moneys held in a bond reserve fund 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.

4. The use of proceeds of the sale of bonds or notes shall be limited to the acquisition or lease-purchase of machinery and equipment relating to science and technology which is identified in the strategic plan prepared pursuant to section 28.157 and the use of proceeds shall be limited to not more than a total of one million dollars in any fiscal year unless authorized by a resolution of the general assembly and approved by the governor.

Sec. 21. NEW SECTION. 28.159 SCIENCE AND TECHNOLOGY ADVISORY COUNCIL.

1. There is established within the science and technology foundation an advisory council. The advisory council shall study and review the growth of technology in the world economy. The council shall annually review the foundation's strategic plan in conjunction with federal research policy and the federal research policy's effect on research in Iowa. The council shall advise the board on the most productive role for Iowa in the areas of science and technology with an emphasis on determining Iowa's strengths in technology.

2. The council shall consist of the following members:

a. Each member of the Iowa congressional delegation, or the member's designee.

b. Members appointed by the foundation upon consultation with the congressional delegation.

3. The council shall be bipartisan and gender balanced in accordance with sections 69.16 and 69.16A.

Sec. 22. Section 262B.4, subsection 2, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. Provide applied technical referral services, if appropriate, including but not limited to the following duties:

(1) To determine and evaluate the research or applied technology needs of businesses and farms requesting assistance.

(2) To recommend technology transfer strategies to farms for more efficient production of agricultural commodities, or to businesses for developing and testing new products, adapting new technologies to manufacturing processes or methods, conducting marketing analyses of new products or processes, and identifying potential financing on new technology-based products or manufacturing processes.

(3) To refer businesses and farmers to universities, community colleges, small business development centers, other private businesses, and other research and technology transfer activities and programs which are beneficial to the development of new products and the application of technology.

Sec. 23. ORGANIZING BOARD OF INTERNET. The members of the board designated pursuant to section 18B.5, subsection 1, paragraphs "a" through "h", in conjunction with the members of the world trade institute study committee established pursuant to 1987 Acts, chapter 141, section 8, shall have all powers and duties necessary to organize the board, including

the adoption of articles of incorporation, bylaws, and rules. The organizing board shall be chaired by the chairperson of the world trade institute study committee. The organizing board shall be staffed by the department of economic development. The organizing board may contract for additional legal or other assistance as deemed necessary by the organizing board. The interdisciplinary working group on international business may cooperate by assisting the organizing board. The permanent board shall be organized not later than January 1, 1990. Procedures set forth in section 18B.5 shall be applicable to the organizing board. After January 1, 1990, the directors of the permanent board designated pursuant to section 18B.5,* paragraphs "a" through "h", shall have all the powers necessary to carry out the mission of INTERNET, until the directors representing business members pursuant to section 18B.5,* paragraphs "i" and "j" have been elected. The election shall be held as soon after January 1, 1990, as is reasonably practicable, but shall be held not later than June 30, 1990.

Sec. 24. WORLD TRADE INSTITUTE STUDY COMMITTEE.

1. All equipment purchased and materials produced under contracts between persons and the world trade institute study committee, established pursuant to 1987 Acts, chapter 141, section 8, shall be transferred to the custody of INTERNET.

2. The board of INTERNET shall consider the materials and recommendations produced by the world trade institute study committee. The board shall study methods to incorporate programs under study by the committee into permanent programs administered by the board.

Sec. 25. Sections 28.51 through 28.55, Code 1989, are repealed.

Sec. 26. Sections 12 and 25 of this Act are effective July 1, 1990.

Sec. 27. Sections 1 through 11, 23 and 24 of this Act, being deemed of immediate importance, take effect upon enactment.

Approved May 29, 1989

CHAPTER 259

IRRIGATION EQUIPMENT SALES TAX EXEMPTION

S.F. 215

AN ACT relating to the sales and use tax and providing an exemption from tax for certain irrigation equipment.

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

Section 1. Section 422.45, Code 1989, is amended by adding the following new subsection:
NEW SUBSECTION. 41. The gross receipts from the sale or rental of irrigation equipment used in farming operations.

Approved May 30, 1989

*Subsection 1 probably intended