

State Government
Schwengels, Chairperson
Briles
Gallagher

FILED JAN 12 1981

SENATE FILE 4

By PRIEBE

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing a family farm lease program and making an
2 appropriation.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. FAMILY FARM LEASE PROGRAM. For
2 the purpose of aiding natural persons in leasing farmland,
3 there is established a family farm lease program under which
4 lease payments and property tax payments are made.

5 Sec. 2. NEW SECTION. DEFINITIONS. As used in sections
6 1 through 9 of this Act, unless the context otherwise requires:

7 1. "Applicant" means a natural person applying for family
8 farm lease and property tax payments.

9 2. "Commission" means the family farm lease commission.

10 3. "Farmland" means land in Iowa that is capable of
11 supporting the commercial production of agricultural crops,
12 livestock or livestock products, poultry products, milk or
13 dairy products, fruit or other horticultural products.

14 4. "Family farm lease and property tax payments" means
15 payments made by the commission to the lessor of farmland
16 for part of the rent due the lessor from the applicant and
17 for part of the property taxes due on the farmland leased
18 to the applicant.

19 Sec. 3. NEW SECTION. FAMILY FARM LEASE COMMISSION. The
20 family farm lease commission is established to administer
21 the family farm lease program. The commission shall be
22 composed of seven members as follows:

23 1. Two officers representing commercial lending
24 institutions.

25 2. One dairy farmer.

26 3. One livestock farmer.

27 4. One cash grain farmer.

28 5. One officer representing a farm credit association.

29 6. One agricultural economist.

30 Sec. 4. NEW SECTION. TERMS, COMPENSATION AND STAFF.

31 1. Members of the commission shall be appointed by the
32 governor, subject to confirmation by the senate, for staggered
33 terms of three years beginning and ending as provided in
34 section 69.19. A person appointed to fill a vacancy shall
35 serve the unexpired term of the vacancy. A member is eligible

1 for reappointment.

2 2. The members of the commission shall be paid a forty
3 dollar per diem and shall be reimbursed for actual and
4 necessary expenses for each day spent in conducting the
5 business of the commission.

6 3. The department of agriculture shall provide staff and
7 office space for the commission. Per diem and expenses of
8 the members payable under subsection 2 and all other expenses
9 of the commission shall be paid for out of the department
10 of agriculture's budget.

11 Sec. 5. NEW SECTION. DUTIES. The commission shall:

12 1. Review and evaluate the family farm lease program.

13 2. Review and make disposition of all applications for
14 family farm lease and property tax payments.

15 3. Promulgate rules under chapter 17A for the efficient
16 operation of the family farm lease program.

17 4. File a report with the chairpersons of the house and
18 senate standing committees on agriculture on or before December
19 31 of every year concerning the operations and activities
20 of the commission, and any other information requested by
21 the chairpersons.

22 Sec. 6. NEW SECTION. ELIGIBILITY. Family farm lease
23 and property tax payments may be granted only if the following
24 criteria are satisfied:

25 1. The applicant is a resident of the state of Iowa or
26 shows sufficient evidence that the applicant intends to become
27 a resident.

28 2. The applicant has sufficient education, training, or
29 experience in the type of farming for which the applicant
30 wishes the payments.

31 3. The applicant and the applicant's dependents and spouse
32 have total net worth valued at not more than fifty thousand
33 dollars and have demonstrated a need for the payments.

34 4. The applicant intends to lease farmland to be used
35 by the applicant for agricultural purposes.

1 Sec. 7. NEW SECTION. PROCEDURE. A person desiring to
2 lease farmland may apply to the commission for family farm
3 lease and property tax payments. The application shall be
4 made on forms prescribed by the commission and shall be
5 submitted before the applicant enters into the lease of the
6 farmland for which the payments are sought. The commission
7 may approve the application if the criteria of section 6 of
8 this Act are satisfied and shall notify the applicant and
9 the potential lessor of its decision.

10 If the application is denied, the commission shall return
11 the application to the applicant with a written statement
12 of the reasons for the denial. The applicant may reapply
13 if the circumstances change so that the applicant becomes
14 eligible.

15 If the commission approves the application, it shall enter
16 into an agreement with the applicant and the potential lessor
17 to provide the lease and property tax payments for six years
18 as provided in the schedule in section 8 of this Act. Before
19 entering into the agreement, the commission shall determine
20 that the amount of the rent under the lease has not been
21 increased or will not be increased because the lessee is
22 eligible to receive or will receive the lease and property
23 tax payments. The agreement shall terminate and the payments
24 cease upon the purchase of the farmland by the applicant at
25 the time the applicant no longer leases the farmland or at
26 the end of six years, whichever occurs first. Payments that
27 have been made pursuant to the agreement shall not be repaid
28 unless the entering into of the agreement by the commission
29 was obtained by fraud or material misrepresentation in which
30 case the agreement is void and any payments made shall be
31 repaid by the party having knowledge of the fraud or material
32 misrepresentation. These repayments shall be credited to
33 the account established in section 9 of this Act.

34 Sec. 8. NEW SECTION. SCHEDULE FOR PAYMENTS.

35 1. The amount of the family farm lease and property tax

1 payments paid to the lessor on behalf of the applicant shall
2 be determined as follows:

3	4 Year of the lease	5 Payments made for:	
		6 Property taxes	7 Rent
8	1	\$500	\$1000
9	2	250	1000
10	3	250	750
11	4	250	500
12	5	250	250
13	6	0	250

14 Sec. 9. NEW SECTION. ACCOUNT.

15 1. A family farm lease and property tax payment account
16 is established in the office of the treasurer of state. The
17 commission shall credit to this account all money received
18 from any source which is designated by the source or required
19 by law to be credited to this account. Moneys in this account
20 shall be disbursed solely for the making of family farm lease
21 and property tax payments pursuant to an agreement entered
22 into under section 7 of this Act.

23 2. The family farm lease and property tax payment account
24 is subject to audit by the auditor of state in the manner
25 provided in chapter 11 for the auditing of departments of
26 state government.

27 Sec. 10. Notwithstanding section 4 of this Act, of the
28 first appointments to the commission, one officer from a
29 commercial lending institution, the dairy farmer, the cash
30 grain farmer and the agricultural economist shall be appointed
31 for terms ending in 1983, and one officer representing a
32 commercial lending institution, the livestock farmer and the
33 officer representing a farm credit association shall be
34 appointed for terms ending in 1984. The terms of the first
35 appointments shall end at 12:00 o'clock midnight on April
30 of the year of expiration.

36 Sec. 11. There is appropriated from the general fund of
37 the state to the family farm lease commission to be credited

1 to the family farm lease and property tax payment account
2 established by section 9 of this Act for the fiscal year
3 beginning July 1, 1981 and ending June 30, 1982 the sum of
4 two million (2,000,000) dollars. Notwithstanding the
5 provisions of section 8.33, funds remaining at the end of
6 the fiscal year or any subsequent fiscal year shall not revert
7 to the general fund.

8 EXPLANATION

9 The bill appropriates \$2,000,000 for the purpose of
10 providing partial rent and property tax payments for the
11 leasing of farmland by a resident of Iowa with a net worth
12 of \$50,000 or less so that the individual can begin to farm.
13 The payments are only for leasing of farmland and will cease
14 at the end of six years, or when the individual purchases
15 or stops leasing the land, whichever occurs first. The
16 payments made for rent and property taxes will not be repaid.
17 A family farm lease commission is established to administer
18 the program with members being appointed by the governor with
19 the consent of the senate. The department of agriculture
20 will provide staff and space for the commission and the
21 expenses of the commission and its members will be paid for
22 out of the department's budget. The bill is effective July
23 1, 1981.

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