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SENATE FILE 2347

BY COMMITTEE ON APPROPRIATIONS

Approved (752)

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Vote: Ayes 48 Nays 0 Vote: Ayes 55 Nays 42

Approved June 3, 1992
Stess
White

A BILL FOR

1 An Act relating to agriculture and natural resources, by making
2 appropriations and statutory changes, and providing effective
3 dates.

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

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SF 2347

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Section 1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE DIVISION

a. For salaries, support, maintenance, the support of the state 4-H foundation, support of the statistics bureau, and miscellaneous purposes:

..... \$ 1,006,128

Of the funds appropriated in paragraph "a", \$35,000 shall be allocated to the state 4-H foundation to foster the development of Iowa's youth and to encourage them to study the subject of agriculture.

Of the funds appropriated in paragraph "a", \$140,000 and 5.00 FTEs shall be allocated to the statistics bureau to provide county-by-county information on land in farms, production by crop, acres by crop, and county prices by crop. This information shall be made available to the department of revenue and finance for use in the productivity formula for valuing and equalizing agricultural land.

b. For the operations of the dairy trade practices bureau:

..... \$ 47,207

c. For the operations of the agricultural marketing bureau:

..... \$ 731,140

Of the funds appropriated in paragraph "c", \$325,000 and 8.00 FTEs shall be used to support horticulture.

d. For the purpose of performing commercial feed audits:

..... \$ 56,470

e. For the purpose of performing fertilizer audits:

..... \$ 56,470

f. Funds appropriated by this subsection are for the

1 salaries and support of not more than the following full-time
 2 equivalent positions:

3 FTEs 54.20

4 2. FARMERS' MARKET COUPON PROGRAM

5 For salaries, support, maintenance, and miscellaneous
 6 purposes, to be used by the department to continue and expand
 7 the farmers' market coupon program by providing federal
 8 special supplemental food program recipients with coupons
 9 redeemable at farmers' markets, and for not more than the
 10 following full-time equivalent positions:

11 \$ 191,887

12 FTEs 1.00

13 3. REGULATORY DIVISION

14 a. For salaries, support, maintenance, miscellaneous
 15 purposes, and for not more than the following full-time
 16 equivalent positions:

17 \$ 3,407,044

18 FTEs 135.00

19 b. To cover the costs of inspection, sampling, analysis,
 20 and other expenses necessary for the administration of
 21 chapters 192, 194, and 195:

22 \$ 652,191

23 4. LABORATORY DIVISION

24 a. For salaries, support, maintenance, and miscellaneous
 25 purposes:

26 \$ 674,280

27 b. For the operations of the commercial feed programs:

28 \$ 709,373

29 c. For the operations of the pesticide programs:

30 \$ 1,195,741

31 d. For the operations of the fertilizer programs:

32 \$ 626,149

33 e. Funds appropriated by this subsection are for the
 34 salaries and support of not more than the following full-time
 35 equivalent positions:

1 FTEs 79.25

2 5. SOIL CONSERVATION DIVISION

3 a. For salaries, support, maintenance, assistance to soil
4 conservation districts, miscellaneous purposes, and for not
5 more than the following full-time equivalent positions:

6 \$ 5,000,784

7 FTEs 173.52

8 Of the funds appropriated in paragraph "a", \$330,000 shall
9 be used to reimburse commissioners of soil and water
10 conservation districts for administrative expenses. Moneys
11 used for the payment of meeting dues by counties shall be
12 matched on a dollar-for-dollar basis by the soil conservation
13 division.

14 b. To provide financial incentives for soil conservation
15 practices under chapter 467A, including section 467A.48:

16 \$ 5,980,673

17 c. The following requirements apply to the funds
18 appropriated by paragraph "b":

19 (1) Not more than 5 percent may be allocated for cost
20 sharing to abate complaints filed under sections 467A.47 and
21 467A.48.

22 (2) Ten percent shall be allocated for financial
23 incentives not exceeding 50 percent of the approved cost of
24 permanent soil conservation practices under chapter 467A on
25 watersheds above publicly owned lakes in accordance with the
26 priority list required in section 107.33A.

27 (3) The soil conservation district commissioners may
28 allocate financial incentives not exceeding 60 percent of the
29 cost of permanent soil conservation practices for special
30 watershed practices or summer construction incentives under
31 section 467A.7, subsections 17 and 19.

32 (4) Except for the allocations subject to subparagraphs
33 (1), (2), and (3), these funds shall not be used alone or in
34 combination with other public funds to provide a financial
35 incentive payment greater than 50 percent of the approved cost

1 for voluntary permanent soil conservation practices and
2 priority shall be given to family-operated farms.

3 (5) The soil conservation committee may allocate funds to
4 conduct research and demonstration projects to promote
5 conservation tillage and nonpoint sources pollution control
6 practices.

7 (6) Not more than 30 percent of a district's allocation
8 may be allocated by the soil conservation district
9 commissioners for the establishment of management practices to
10 control soil erosion on land that is now row cropped.

11 (7) The financial incentive payments may be used in
12 combination with department of natural resources funds.

13 d. The provisions of section 8.33 shall not apply to the
14 funds appropriated by paragraph "b". Unencumbered or
15 unobligated funds remaining on June 30, 1996, from funds
16 appropriated under paragraph "b" for the fiscal year beginning
17 July 1, 1992, shall revert to the general fund on September
18 30, 1996.

19 Sec. 2. There is appropriated from the general fund of the
20 state to the department of agriculture and land stewardship
21 for the fiscal year beginning July 1, 1992, and ending June
22 30, 1993, the following amount, or so much thereof as is
23 necessary, to be used for the purposes designated:

24 To fund lamb and wool management education projects
25 approved by the department at community colleges selected as
26 project sites as provided in section 99E.32, subsection 3,
27 paragraph "m":

28 \$ 193,500

29 Sec. 3. There is appropriated from the general fund of the
30 state to the department of agriculture and land stewardship
31 for the fiscal year beginning July 1, 1992, and ending June
32 30, 1993, the following amount, or so much thereof as is
33 necessary, to be used for the purpose designated:

34 For support of the pseudorabies eradication program:

35 \$ 800,000

1 Sec. 4. There is appropriated from the funds available
2 under section 99D.13 to the regulatory division of the
3 department of agriculture and land stewardship for the fiscal
4 year beginning July 1, 1992, and ending June 30, 1993, the
5 following amount, or so much thereof as is necessary, to be
6 used for the purposes designated:

7 For salaries, support, maintenance, and miscellaneous
8 purposes for the administration of section 99D.22:
9 \$ 174,342

10 INTERSTATE COMPACT ON AGRICULTURAL GRAIN MARKETING

11 Sec. 5. There is appropriated from the general fund of the
12 state to the interstate agricultural grain marketing
13 commission for the fiscal year beginning July 1, 1992, and
14 ending June 30, 1993, the following amount, or so much thereof
15 as is necessary, to be used for the purpose designated:

16 For carrying out duties of the commission as provided in
17 Article IV of the interstate compact on agricultural grain
18 marketing as provided in chapter 183:
19 \$ 61,950

20 DEPARTMENT OF NATURAL RESOURCES

21 Sec. 6. There is appropriated from the general fund of the
22 state to the department of natural resources for the fiscal
23 year beginning July 1, 1992, and ending June 30, 1993, the
24 following amounts, or so much thereof as is necessary, to be
25 used for the purposes designated:

26 1. ADMINISTRATIVE SERVICES DIVISION

27 For salaries, support, maintenance, miscellaneous purposes,
28 and for not more than the following full-time equivalent
29 positions:
30 \$ 2,069,541

31 FTEs 135.00

32 2. PARKS AND PRESERVES DIVISION

33 For salaries, support, maintenance, miscellaneous purposes,
34 and for not more than the following full-time equivalent
35 positions:

1 \$ 5,205,155
 2 FTEs 210.57
 3 3. FORESTS AND FORESTRY DIVISION
 4 For salaries, support, maintenance, miscellaneous purposes,
 5 and for not more than the following full-time equivalent
 6 positions:
 7 \$ 1,398,298
 8 FTEs 55.71
 9 4. ENERGY AND GEOLOGICAL RESOURCES DIVISION
 10 For salaries, support, maintenance, miscellaneous purposes,
 11 and for not more than the following full-time equivalent
 12 positions:
 13 \$ 1,463,835
 14 FTEs 55.02
 15 5. ENVIRONMENTAL PROTECTION DIVISION
 16 For salaries, support, maintenance, miscellaneous purposes,
 17 and for not more than the following full-time equivalent
 18 positions:
 19 \$ 2,113,501
 20 FTEs 174.00
 21 6. FISH AND WILDLIFE DIVISION
 22 For not more than the following full-time equivalent
 23 positions:
 24 FTEs 338.78
 25 7. WASTE MANAGEMENT ASSISTANCE DIVISION
 26 For not more than the following full-time equivalent
 27 positions:
 28 FTEs 18.75
 29 8. For the green thumb program for the employment of the
 30 elderly in conservation and outdoor recreation related fields
 31 in coordination with other agencies as provided by law, and
 32 for not more than the following full-time equivalent
 33 positions:
 34 \$ 130,000
 35 FTEs 10.00

1 Sec. 7. There is appropriated from the state fish and game
2 protection fund to the division of fish and wildlife of the
3 department of natural resources for the fiscal year beginning
4 July 1, 1992, and ending June 30, 1993, the following amounts,
5 or so much thereof as is necessary, to be used for
6 administrative support, and for salaries, support,
7 maintenance, equipment, and miscellaneous purposes:

8 \$ 18,386,561

9 The department shall not expend more moneys from the fish
10 and game protection fund than provided in this section, unless
11 the expenditure derives from contributions made by a public or
12 private entity, including the federal government, and is
13 approved by the natural resource commission. The department
14 of natural resources shall promptly notify the legislative
15 fiscal bureau of the commission's approval, and the
16 chairpersons and ranking members of the agriculture and
17 natural resources appropriation subcommittee.

18 Sec. 8. There is appropriated from the marine fuel tax
19 receipts deposited in the general fund of the state to the
20 department of natural resources for the fiscal year beginning
21 July 1, 1992, and ending June 30, 1993, the following amounts,
22 or so much thereof as is necessary, to be used for the
23 purposes designated:

24 a. For purposes of funding expenditures traditionally
25 funded from marine fuel tax revenues, but not considered as
26 capitals or operations:

27 \$ 200,000

28 b. For purposes of funding capitals traditionally funded
29 from marine fuel tax receipts for the purposes specified in
30 section 324.79, providing for lake preservation as provided in
31 subparagraph (1), and stabilizing stream channels as provided
32 in subparagraph (2):

33 \$ 1,540,000

34 (1) Of the moneys appropriated under this paragraph "b",
35 \$500,000 shall be allocated by the department to continue lake

1 preservation, including dredging operations, at Black Hawk
2 Lake, located at Lake View, Iowa. Remaining moneys previously
3 designated for Black Hawk Lake from the federal clean lakes
4 program shall be allocated on a matching basis with moneys
5 appropriated under this paragraph "b" for purposes of
6 preserving Black Hawk Lake. The allocation of moneys shall be
7 contingent upon land used as a spoil site for the lake being
8 provided without financial obligation to the state. This
9 subparagraph (1) shall become effective upon enactment.

10 (2) Of the moneys appropriated under this paragraph "b",
11 \$100,000 shall be allocated by the department to the division
12 of soil conservation in the department of agriculture and land
13 stewardship for purposes of participating with local entities
14 including local governments, and with entities receiving
15 federal funding, in developing and installing projects that
16 stabilize degrading stream channels in areas of the state
17 determined by the division to require assistance.

18 (3) Notwithstanding section 8.33, the unencumbered or
19 unobligated moneys remaining on June 30, 1993, from moneys
20 appropriated for purposes of funding capitals traditionally
21 funded from marine fuel tax receipts as provided in this
22 paragraph "b" for the fiscal year beginning July 1, 1992,
23 shall revert on September 30, 1994.

24 Sec. 9. There is transferred on July 1, 1992, from the
25 fees deposited under section 321G.7 to the fish and game
26 protection fund and appropriated to the department of natural
27 resources for the fiscal year beginning July 1, 1992, and
28 ending June 30, 1993, the following amount, or so much thereof
29 as is necessary, to be used for the purpose designated:

30 For the purpose of enforcing snowmobile laws as part of the
31 state snowmobile program administered by the department of
32 natural resources:

33 \$ 100,000

34 Sec. 10. There is transferred on July 1, 1992, from the
35 fees deposited under section 106.52 to the fish and game

1 protection fund and appropriated to the department of natural
2 resources for the fiscal year beginning July 1, 1992, and
3 ending June 30, 1993, the following amount, or so much thereof
4 as is necessary, to be used for the purpose designated:

5 For the purpose of maintaining boating access on lands
6 managed by the fish and wildlife division of the department of
7 natural resources:

8 \$ 950,000

9 Sec. 11. Notwithstanding the amount of the standing
10 appropriation from the general fund of the state under section
11 455A.18, subsection 3, there is appropriated from the general
12 fund of the state, in lieu of the appropriation made in
13 section 455A.18, for the fiscal year beginning July 1, 1992,
14 to the Iowa resources enhancement and protection fund the sum
15 of \$5,000,000.

16 Sec. 12. Notwithstanding the requirement in section
17 99E.10, subsection 1, to transfer lottery revenue remaining
18 after expenses are deducted, prior to any such transfer there
19 is appropriated from the lottery fund to the following named
20 entities, agencies, and funds for the fiscal year beginning
21 July 1, 1992, and ending June 30, 1993, the following amounts,
22 or so much thereof as is necessary, to be used for the
23 purposes designated:

24 1. The waste volume reduction and recycling fund:
25 \$ 700,000

26 Moneys appropriated in this subsection shall be used as
27 follows:

28 a. One-half of the moneys shall be used for the purposes
29 specified pursuant to section 455D.15, subsection 2. The
30 moneys shall be allocated to each county on the basis of
31 population. The county allocation shall be distributed
32 quarterly by the department to each county. The county shall
33 immediately distribute the funds to the cities based upon the
34 proportion of the city's respective population to the total
35 county population, and the county shall retain the portion of

1 the funds based upon the proportion of the unincorporated area
2 of the county to the total population of the county. The
3 funds shall be used by the county and the cities for the
4 implementation of the comprehensive plan elements required
5 pursuant to section 455B.306 and relative to chapter 455D.

6 b. One-half of the moneys shall be used for the purposes
7 specified pursuant to section 455D.15, subsection 3.

8 Preference shall be given by the department of natural
9 resources in providing grants that assist in the reduction of
10 waste at its source.

11 2. The agricultural management account of the groundwater
12 protection fund as provided in section 455E.11, subsection 2,
13 paragraph "b", to be used for plugging abandoned wells and
14 cisterns:

15 \$ 100,000

16 3. The groundwater protection fund created in section
17 455E.11 to provide grants to counties for rural water testing
18 under section 455B.172, subsection 5:

19 \$ 100,000

20 4. The Iowa state university of science and technology for
21 allocation to the Iowa state university water resource
22 research institute for the purposes and under the conditions
23 specified in section 99E.32, subsection 4, paragraph "e":

24 \$ 50,000

25 5. The environmental protection division of the department
26 of natural resources to be used for the assessment and
27 evaluation of surface water streams and rivers:

28 \$ 100,000

29 6. The soil conservation division of the department of
30 agriculture and land stewardship to provide state soil and
31 water conservation cost-sharing funds pursuant to sections
32 467A.42 through 467A.75:

33 \$ 200,000

34 7. The water protection fund created in section 467F.4, to
35 be used for filter strips and waterways projects. The

1 governing body of each soil and water conservation district
2 shall identify those critical areas within the district where
3 permanent grass and buffer zones would mitigate the effects of
4 concentrated runoff on surface water quality. The governing
5 body shall notify the landowners of those critical areas and
6 provide the landowners with recommendations to establish these
7 permanent grass and buffer zones, including any erosion
8 control structures that may be appropriate, to mitigate the
9 effects of concentrated runoff on surface water quality. In
10 providing this notification and these recommendations, the
11 governing body shall also inform the landowners that the
12 establishment of these zones along with any erosion control
13 structures may be eligible for financial assistance under the
14 incentive programs within the water protection fund pursuant
15 to section 467F.4 and may also qualify for cost-sharing funds
16 pursuant to section 467A.48:

17 \$ 150,000

18 8. The soil conservation division of the department of
19 agriculture and land stewardship for reforestation programs:

20 \$ 150,000

21 9. The Iowa energy center to be used for transportation
22 studies and projects which enhance energy efficiency and self-
23 sufficiency:

24 \$ 200,000

25 10. The department of agriculture and land stewardship,
26 for on-farm alternative fuels demonstration projects:

27 \$ 100,000

28 11. The Iowa energy center to be used for competitive
29 grants, for comprehensive, in-depth, community-wide projects
30 to reduce energy consumption and enhance energy self-
31 sufficiency. Cities, clusters of cities, and counties are
32 eligible to apply for grants. Applications may be limited to
33 building efficiency or vehicle efficiency or may contain both
34 and shall contain a component for ongoing education concerning
35 the goals of the plan and how to achieve those goals. The

1 moneys under this subsection shall be allocated equally for
2 building efficiency and vehicle efficiency. However, if the
3 moneys allocated to either category are not used or dedicated
4 by April 1 of the fiscal year, the moneys may be reallocated
5 to the other category:

6 \$ 200,000

7 12. To the department of natural resources for the
8 administration of energy efficiency programs and projects:

9 \$ 150,000

10 13. To the office of renewable fuel established pursuant
11 to section 159A.3 for renewable fuel activities under chapter
12 159A:

13 \$ 300,000

14 14. The agency or entity to which moneys are appropriated
15 or which oversee a fund to which moneys are appropriated under
16 this section may use some of those moneys for administrative
17 costs relating to the use of those moneys, including
18 additional full-time equivalent positions. The acquisition of
19 additional full-time equivalent positions authorized under
20 this subsection are not subject to any freeze, set by the
21 governor, or the limit, set by the general assembly, on the
22 number of full-time equivalent positions that such agency or
23 entity may have. The agency or entity that adds additional
24 full-time equivalent positions shall report the fact and the
25 purpose at the end of the applicable quarter to the fiscal
26 committee of the legislative council.

27 Sec. 13. The department of agriculture and land
28 stewardship and the department of natural resources, in
29 cooperation as necessary with the department of management and
30 the department of personnel, shall provide a list to the
31 legislative fiscal bureau, on a quarterly basis, of all
32 permanent positions added to or deleted from the departments'
33 table of organization in the previous fiscal quarter. This
34 list shall include at least the position number, salary range,
35 projected funding source or sources of each position, and the

1 reason for the addition or deletion. The legislative fiscal
2 bureau may use this information to assist in the establishment
3 of the full-time equivalent position limits contained in the
4 appropriation bill for the departments.

5 Sec. 14. The department of revenue and finance in
6 cooperation with the department of agriculture and land
7 stewardship and the department of natural resources shall
8 track receipts to the general fund which have traditionally
9 been deposited into the following funds:

- 10 1. The fertilizer fund created in section 200.9.
- 11 2. The pesticide fund created in section 206.12.
- 12 3. The dairy trade practices trust fund pursuant to
13 section 192A.30.
- 14 4. The milk fund created in section 192.111.
- 15 5. The commercial feed fund created in section 198.9.
- 16 6. The marine fuel tax fund created in section 324.79.
- 17 7. The energy research and development fund provided in
18 section 93.11.

19 The departments designated in this section shall prepare
20 reports detailing revenue from receipts traditionally
21 deposited into each of the funds. A report shall be submitted
22 to the legislative fiscal bureau at least once for each three-
23 month period as designated by the legislative fiscal bureau.

24 Sec. 15. The department of natural resources shall provide
25 the legislative fiscal bureau information and financial data
26 by cost center, on at least a monthly basis, relating to the
27 indirect cost accounting procedure, the amount of funding from
28 each funding source for each cost center, and the internal
29 budget system used by the department. The information shall
30 include but is not limited to financial data covering the
31 department's budget by cost center and funding source prior to
32 the start of the fiscal year, and to the department's actual
33 expenditures by cost center and funding source after the
34 accounting system has been closed for that fiscal year.

35 Sec. 16. Notwithstanding section 17A.2, subsection 7,

1 paragraph "g", the department of natural resources shall by
2 rule establish prices of plant material grown at the state
3 forest nurseries to cover all expenses related to the growing
4 of the plants.

5 The department shall develop programs to encourage the wise
6 management and preservation of existing woodlands and shall
7 continue its efforts to encourage forestation and
8 reforestation on private and public lands in the state.

9 The department shall encourage a cooperative relationship
10 between the state forest nurseries and private nurseries in
11 the state in order to achieve these goals.

12 Sec. 17. During the fiscal year for which funds are
13 appropriated by sections 6 and 7 of this Act, the department
14 of natural resources shall not require the installation or use
15 of equipment to control the emission of dust or other
16 particulate matter on or by facilities for storage of grain
17 which are located within the ambient air quality attainment
18 areas for suspended particulates.

19 Sec. 18. DIFFERENTIAL TONNAGE FEE FOR FOUNDRY MATERIAL.
20 Notwithstanding section 455B.310, subsection 10, foundry
21 material that is deposited at a permitted landfill and used
22 for daily cover, shall be subject to the fees specified in
23 that subsection, regardless of whether the foundry material is
24 used to replace material that would otherwise be purchased and
25 transported from off-site.

26 This section is repealed on July 1, 1993.

27 Sec. 19. CODE EDITOR. The Code editor shall change the
28 name of the waste management authority within the department
29 of natural resources to the waste management assistance
30 division wherever it appears in the Code.

31 Sec. 20. Section 93.11, subsection 1, paragraph f,
32 unnumbered paragraph 2, Code Supplement 1991, is amended to
33 read as follows:

34 Notwithstanding the provisions of this section directing
35 that moneys be deposited into the energy research and

1 development fund, for the fiscal period beginning July 1,
2 1991, and ending June 30, 1993, all moneys shall be deposited
3 into the general fund of the state. ~~There is appropriated~~
4 ~~annually from the general fund of the state the sum of one~~
5 ~~hundred fifty thousand dollars to be used for the purposes of~~
6 ~~this section.~~

7 Sec. 21. Section 111.42, subsection 1, Code Supplement
8 1991, is amended by adding the following new unnumbered
9 paragraph:

10 NEW UNNUMBERED PARAGRAPH. This subsection, notwithstanding
11 its exceptions, shall also apply in a state recreation area
12 located within two miles of a city having a population of more
13 than fifty thousand.

14 Sec. 22. NEW SECTION. 159.6A CONTRIBUTIONS.

15 The department may accept contributions, including gifts
16 and grants, in order to carry out and administer the
17 provisions of this chapter. The department shall maintain an
18 itemized accounting of the contributions. At the end of each
19 fiscal year, the department shall prepare a list recognizing
20 private contributors.

21 Sec. 23. Section 159.20, unnumbered paragraph 1, Code
22 Supplement 1991, is amended to read as follows:

23 ~~An agricultural marketing division is created within the~~
24 ~~department.~~ The division department shall perform duties
25 designed to lead to more advantageous marketing of Iowa
26 agricultural commodities. The division department may do any
27 of the following:

28 Sec. 24. Section 159.20, subsections 5 and 9, Code
29 Supplement 1991, are amended to read as follows:

30 5. Accumulate and diffuse information concerning the
31 marketing of agricultural commodities in cooperation with
32 persons, agencies, or the federal government. The division
33 department shall establish an agricultural commodity
34 informational data base.

35 9. Cooperate with the Iowa department of economic

1 development to avoid duplication of efforts between the
2 division department and the agricultural marketing program
3 operated by the Iowa department of economic development.

4 Sec. 25. Section 159.20, unnumbered paragraph 2, Code
5 Supplement 1991, is amended by striking the paragraph.

6 Sec. 26. Section 159.22, Code Supplement 1991, is amended
7 to read as follows:

8 159.22 GRANTS AND GIFTS OF FUNDS.

9 The ~~division-may-with-the-approval-of-the~~ secretary may
10 accept grants and allotments of funds from the federal
11 government and enter into co-operative agreements with the
12 United States department of agriculture for projects to
13 effectuate a purpose described in this subchapter. ~~The~~
14 ~~division-may-accept-grants,-gifts-or-allotments-of-funds-from~~
15 ~~any-person-for-the-purpose-of-carrying-out-the-provisions-of~~
16 ~~this-subchapter.--If-funds-are-accepted-from-a-person,-the~~
17 ~~director-shall-prepare-an-itemized-accounting-to-the~~
18 ~~department-at-the-end-of-each-fiscal-year-~~

19 Sec. 27. Section 159.23, Code 1991, is amended to read as
20 follows:

21 159.23 SPECIAL FUND.

22 All fees collected as a result of the inspection and
23 grading provisions set out herein shall be paid into the state
24 treasury, there to be set aside in a separate fund which is
25 hereby appropriated for the use of the division except as
26 indicated. Withdrawals therefrom shall be by warrant of the
27 director of revenue and finance upon requisition by the
28 ~~administrator-of-the-division-approved-by-the~~ secretary of
29 agriculture. Such fund shall be continued from year to year,
30 provided, however, that if there be any balance remaining at
31 the end of the biennium which, in the opinion of the governor,
32 director of management and secretary of agriculture, is
33 greater than necessary for the proper administration of the
34 inspection and grading program referred to herein, the
35 treasurer of state is hereby authorized on the recommendation

1 and with the approval of the governor, director of management
2 and secretary of agriculture, to transfer to the general fund
3 of the state that portion of such account as they shall deem
4 advisable.

5 Sec. 28. Section 159.24, Code 1991, is amended to read as
6 follows:

7 159.24 GRADES OR CLASSIFICATIONS OF FARM PRODUCTS.

8 A certificate of the grade, or other classification, of any
9 farm products issued under ~~this division of~~ this chapter shall
10 be accepted in any court of this state as prima facie evidence
11 of the true grade or classification of such farm products as
12 the same existed at the time of their classification.

13 Sec. 29. Section 159.37, subsection 1, Code 1991, is
14 amended to read as follows:

15 1. The department shall establish ~~within the international~~
16 ~~trade bureau of the marketing division~~ a special quality
17 grains electronic bulletin board system. The system shall be
18 available to any and all buyers and sellers of special quality
19 grains for the purpose of posting the availability of special
20 quality grains, or a demand for special quality grains.

21 Sec. 30. Section 159A.3, subsection 1, unnumbered
22 paragraph 1, Code Supplement 1991, is amended to read as
23 follows:

24 An office of renewable fuel is created within ~~the~~
25 ~~agricultural marketing division of~~ the department and shall be
26 staffed by a coordinator who shall be appointed by the
27 ~~division administrator~~ secretary. It shall be the policy of
28 the office to further renewable fuel activities. The office
29 shall first further renewable fuel activities based on the
30 following considerations:

31 Sec. 31. Section 199.3, subsection 4, Code 1991, is
32 amended by adding the following new paragraph:

33 NEW PARAGRAPH. j. The last date on which the variety of
34 seed will normally germinate according to standards
35 established by rules adopted by the department.

1 Sec. 32. Section 199.11, Code 1991, is amended to read as
2 follows:

3 199.11 AUTHORITY OF SECRETARY-OF-AGRICULTURE THE
4 DEPARTMENT.

5 1. For the purpose of carrying out the provisions of this
6 chapter, the ~~state-secretary-of-agriculture-who-may-act~~
7 ~~through-authorized-agents-is-hereby-authorized-and-directed~~
8 department shall do all of the following:

9 a. ~~To-sample~~ Sample, inspect, ~~make-analysis-of~~ analyze,
10 and test agricultural ~~seeds~~ seed other than lawn seed, if the
11 agricultural seed is transported, sold, offered, or exposed
12 for sale within this state for sowing purposes. The
13 department shall perform these duties at such a time and place
14 and to such an extent as the secretary may deem necessary to
15 determine whether ~~said~~ the agricultural ~~seeds-are~~ seed is in
16 compliance with ~~the-provisions-of~~ this chapter, ~~and-to-notify.~~
17 The department shall promptly notify the person who
18 transported, sold, offered, or exposed the seed for sale, of
19 any a violation.

20 b. ~~To-prescribe-and, after-public-hearing-following-due~~
21 ~~public-notice, to-adopt~~ Adopt rules and regulations governing
22 the methods of sampling, inspecting, ~~analysis, tests~~
23 analyzing, testing, and examination-of examining agricultural
24 ~~seed, and-the~~ other than lawn seed. The rules shall include
25 tolerances to be followed in the administration of this
26 chapter, which shall be in general accord with officially
27 prescribed practice in interstate commerce under the federal
28 seed Act and ~~such other rules and or~~ regulations as may be
29 necessary ~~to-secure~~ for the efficient enforcement of this
30 chapter.

31 2. ~~Further, for~~ For the purpose of carrying out the
32 provisions of this chapter, the ~~state-secretary-of~~
33 ~~agriculture, individually or through authorized agents, is~~
34 ~~authorized-and-directed~~ department may:

35 a. ~~To-enter~~ Enter upon any public or private premises

1 during regular business hours in order to have access to seeds
2 seed other than lawn seed, subject to this chapter and the
3 departmental rules and regulations thereunder.

4 b. ~~To issue~~ Issue and enforce a written or printed "stop
5 sale" order to the owner or custodian of any lot of
6 agricultural seed other than lawn seed which the state
7 ~~secretary of agriculture or the secretary's authorized agents~~
8 believe department believes is in violation of any of the
9 provisions of this chapter which or departmental rules. The
10 order shall prohibit further sale of such the seed until such
11 officer the department has evidence ~~that the law has been~~
12 ~~complied with; provided, that~~ of compliance. However, the
13 owner or custodian of such the seed shall be permitted to
14 remove ~~said the seed~~ from a salesroom open to the public;
15 ~~provided further, that in respect to seeds which have been~~
16 ~~denied sale as provided in this subsection; judicial~~.
17 Judicial review of the order may be sought in accordance with
18 ~~the terms of the Iowa administrative procedure Act chapter~~
19 17A. ~~Notwithstanding the terms of said Act~~ However,
20 notwithstanding chapter 17A, petitions for judicial review may
21 be filed in the district court; ~~and provided further, that the~~
22 ~~provisions of this~~. This subsection shall does not be
23 ~~construed as limiting~~ limit the right of the enforcement
24 officer department to proceed as authorized by other sections
25 of this chapter.

26 c. ~~To establish~~ Establish and maintain or make provision
27 for seed testing facilities essential to the enforcement of
28 this chapter; ~~to~~. The department may employ qualified
29 persons, and ~~to incur such expenses as may be necessary to~~
30 comply with these provisions.

31 d. ~~To co-operate~~ Cooperate with the United States
32 department of agriculture in seed law enforcement.

33 Sec. 33. Section 455A.5, subsection 6, Code Supplement
34 1991, is amended by adding the following new paragraph:

35 NEW PARAGRAPH. f. Approve or disapprove proposals

1 involving the dredging or renovation of lakes; the
2 acquisition, development, and maintenance of boating
3 facilities; and the acquisition, development, and maintenance
4 of recreational facilities associated with recreational
5 boating.

6 Sec. 34. Section 455A.6, subsection 6, paragraph d, Code
7 Supplement 1991, is amended to read as follows:

8 d. Approve the budget request prepared by the director for
9 the programs authorized by chapters 455B, 455C, 455E, and
10 455F. The commission shall approve the budget request
11 prepared by the director for programs administered by the
12 energy and geological resources division, ~~the coordination and~~
13 ~~information division,~~ and the administrative services
14 division, ~~and the office of the director,~~ as provided in
15 section 455A.7. The commission may increase, decrease, or
16 strike any item within the department budget request for the
17 specified programs before granting approval.

18 Sec. 35. Section 455A.7, subsection 1, paragraph g, Code
19 Supplement 1991, is amended to read as follows:

20 g. Administrative services division which is responsible
21 for administration of the department, including finance,
22 budget and grants, administrative support, data processing,
23 licensing, and construction services, governmental liaison
24 services, information dissemination, education, and planning.

25 Sec. 36. Section 455A.7, subsection 1, paragraphs f and j,
26 Code Supplement 1991, are amended by striking the paragraphs.

27 Sec. 37. Section 543.4, subsection 6, Code 1991, is
28 amended to read as follows:

29 6. The department is entitled to reimbursement out of
30 commodities or proceeds held in receivership for all expenses
31 incurred as court costs or in handling and disposing of stored
32 commodities, and for all other costs directly attributable to
33 the receivership. The right of reimbursement of the
34 department is prior to any claims against the commodities or
35 proceeds of sales of commodities, and constitutes a claim

1 against a deficiency bond or irrevocable letter of credit.
2 Notwithstanding section 8.33, the reimbursement amount
3 received by the department in a fiscal year shall not revert
4 unless unobligated or unencumbered on June 30 of the following
5 fiscal year.

6 Sec. 38. Section 543A.4, Code 1991, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 4. a. The administrative costs incurred
9 by the department necessary for the operation of the board and
10 the fund shall be paid from the fund after approval by the
11 board.

12 b. The board shall, on July 1 of each fiscal year, provide
13 for the transfer of four hundred forty thousand dollars to the
14 department for use by the warehouse bureau for administrative
15 purposes. The amount transferred shall be in addition to the
16 payment of costs to the bureau for performing administrative
17 functions provided under paragraph "a".

18 Sec. 39. 1991 Iowa Acts, chapter 268, sections 212 and
19 213, are repealed.

20 This section, being deemed of immediate importance, takes
21 effect upon enactment.

22 EXPLANATION

23 This bill appropriates moneys to the department of
24 agriculture and land stewardship and the department of natural
25 resources, in order to support administration and programs and
26 projects provided by the departments. The bill also
27 appropriates moneys to support the interstate compact on
28 agricultural grain marketing. The bill provides for the
29 appropriation of moneys from the fish and game protection
30 fund. The bill appropriates moneys from the marine fuel tax
31 receipts deposited in the general fund. The bill supports
32 lake preservation and the stabilization of stream channels.
33 The bill requires that several agencies submit financial
34 information to the legislative fiscal bureau.

35 The bill reduces the amount of moneys appropriated to the

1 resource enhancement and protection fund. It provides for
2 establishment of rules by the department of natural resources
3 to establish prices of plant materials grown at state forest
4 nurseries, and developing programs to encourage the wise
5 management of woodlands and reforestation. The bill provides
6 that the department of natural resources shall not require the
7 installation or use of equipment to control the emission of
8 dust related to grain storage. The bill appropriates moneys
9 from the lottery fund for the fiscal year beginning July 1,
10 1992, for environmental protection, soil conservation, and
11 energy efficiency purposes. The bill provides for a
12 differential tonnage fee for foundry material used to cover a
13 sanitary landfill. Section 93.11 is amended to strike
14 language making an annual appropriation from the general fund
15 to be used to support programs to increase energy
16 conservation. Section 111.42 is amended to provide for the
17 use of firearms in state recreation areas. Various sections
18 of the bill eliminate references in the Code to the
19 agricultural marketing division within the department of
20 agriculture and land stewardship and eliminate administrative
21 units within the department of natural resources. The
22 amendment to section 159.6A provides for an accounting of
23 private funds received by the department of agriculture and
24 land stewardship. The amendment to section 455A.5 provides
25 duties to the natural resource commission. The amendment to
26 sections 199.3 and 199.11 eliminate regulating requirements
27 relating to the sale of lawn seed.

28 Section 543A.4 is amended to provide for the transfer of
29 moneys from the grain indemnity fund. The bill repeals
30 sections relating to the transfer of moneys into the fish and
31 game protection fund. The repealing section takes effect upon
32 enactment.

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SENATE FILE 2347

S-5344

1 Amend Senate File 2347 as follows:

2 1. Page 2, line 25, by inserting after the word
3 "purposes" the following: ", including the
4 administration of the gypsy moth program".

5 2. Page 2, by inserting after line 26 the fol-
6 lowing:

7 "Of the amount appropriated under this paragraph
8 "a", \$50,000 shall be used to administer a program
9 relating to the detection, surveillance, and
10 eradication of the gypsy moth. The department shall
11 not allocate moneys other than appropriated under this
12 paragraph "a" to support the program."

13 3. Page 9, by striking lines 5 through 7 and
14 inserting the following:

15 "For purposes of administration and enforcement of
16 navigation laws and water safety:".

17 4. Page 12, by inserting after line 26 the
18 following:

19 "Sec. _____. The department of agriculture and land
20 stewardship is not required to reimburse a person not
21 employed by the department, including the auditor of
22 state or the attorney general, for rendering services
23 for or on behalf of the department unless the
24 department receives a bill which itemizes the services
25 and charges rendered by the person for performing
26 these services.

27 This section, being deemed of immediate importance,
28 takes effect upon enactment of this Act."

29 5. Page 20, line 13, by striking the word "and".

30 6. Page 20, line 14, by striking the words "~~and~~
31 ~~the office of the director,~~" and inserting the
32 following: "and the office of the director,".

33 7. Page 20, line 25, by striking the words
34 "paragraphs f and j" and inserting the following:
35 "paragraph f".

36 8. Page 20, line 26, by striking the words "are
37 amended by striking the paragraphs" and inserting the
38 following: "is amended by striking the paragraph".

39 9. Page 21, by inserting after line 21 the
40 following:

41 "Sec. _____. This Act takes effect on July 1, 1992,
42 except as otherwise provided in specific sections of
43 this Act."

44 10. By renumbering as necessary.

By EMIL J. HUSAK
DERRYL MCLAREN

S-5344 FILED MARCH 23, 1992

Adopted 3/23 (p. 1001)

SENATE FILE 2347

S-5293

1 Amend Senate File 2347 to read as follows:
2 1. Page 1, line 25, by striking the figure
3 "47,207" and inserting the following: "70,000".
4 2. Page 1, by inserting after line 25 the
5 following:
6 "Of the funds appropriated in this paragraph "b"
7 not more than \$47,207 shall be used to support the
8 operations of the dairy trade practices bureau for the
9 fiscal year beginning July 1, 1992, and ending June
10 30, 1993. Notwithstanding section 8.39, moneys
11 appropriated under this paragraph shall not be
12 transferred by the department to support a purpose
13 other than the operations of the bureau.
14 Notwithstanding section 8.33, unobligated or
15 unencumbered moneys remaining on June 30, 1993, shall
16 not revert, but shall be available for expenditure for
17 the bureau for the next fiscal year and any of these
18 moneys remaining on June 30, 1994, shall revert to the
19 general fund of the state."

By BERL E. PRIEBE

S-5293 FILED MARCH 18, 1992

Adopted 3/26 (p. 1001)

SENATE FILE 2347

S-5352

1 Amend Senate File 2347 as follows:
2 1. Page 7, by inserting after line 8 the
3 following:
4 "Of the amount appropriated under this section,
5 \$50,000 shall be allocated to establish a wildlife
6 nuisance management program. The program shall
7 provide for controlling wildlife nuisances, including
8 deer and predators, which interfere with agricultural
9 production. A primary purpose of the program shall be
10 to reduce damages or injury to property involved in
11 farming as defined in section 172C.1 The program shall
12 emphasize the prevention of wildlife nuisances through
13 management techniques which preserve the life and
14 habitat of wildlife. An animal or an animal's habitat
15 shall not be destroyed only because the animal belongs
16 to a particular species. The department shall
17 cooperate with the department of agriculture and land
18 stewardship and either department may contract with
19 the United States department of agriculture to operate
20 the program. The program shall be conducted in
21 accordance with federal and state law, notwithstanding
22 laws relating to open seasons."

By BERL E. PRIEBE
LEONARD L. BOSWELL
SHELDON RITTMER
DONALD V. DOYLE

EMIL J. HUSAK
JOHN A. PETERSON
JOHN E. SOORHOLTZ

S-5352 FILED MARCH 24, 1992

20/d 3/26 (p. 1001)

SENATE FILE 2347

S-5389

- 1 Amend Senate File 2347 as follows:
- 2 1. Page 15, by striking lines 7 through 13.
- 3 2. By renumbering as necessary.

By DERRYL MC LAREN
DALE L. TIEDEN
BERL E. PRIEBE

S-5389 FILED MARCH 26, 1992

LOST (p.1003)

SENATE FILE 2347

S-5390

- 1 Amend Senate File 2347 as follows:
- 2 1. By striking page 9, line 16 through page 12,
- 3 line 26.
- 4 2. By renumbering as necessary.

By DERRYL MCLAREN

S-5390 FILED MARCH 26, 1992

LOST (p.1002)

SENATE FILE 2347

S-5391

- 1 Amend Senate File 2347 as follows:
- 2 1. Page 8, line 6, by inserting after the word
- 3 "Lake." the following: "The moneys allocated under
- 4 this paragraph must be matched on a dollar-for-dollar
- 5 basis by moneys contributed from a source which is not
- 6 the state. The amount may be expended on a gradual
- 7 basis as moneys allocated under this paragraph are
- 8 matched by the nonstate source."
- 9 2. Page 8, line 6, by inserting after the word
- 10 "moneys" the following: "appropriated under this
- 11 paragraph "b".

By RICHARD VANDE HOEF

S-5391 FILED MARCH 26, 1992

WITHDRAWN (p.1003)

SENATE FILE 2347

S-5387

1 Amend Senate File 2347 as follows:

2 1. Page 9, by inserting after line 8 the
3 following:

4 "Sec. ____ . WILDLIFE DAMAGE CONTROL. There is
5 appropriated from the livestock disease fund
6 established pursuant to section 267.8, to the
7 department of natural resources for the fiscal year
8 beginning July 1, 1992, and ending June 30, 1993, the
9 following amount to be used for purposes of supporting
10 a wildlife damage management program:

11 \$ 50,000

12 The program shall provide for controlling wildlife,
13 including deer and predators, which interfere with
14 agricultural production. A primary purpose of the
15 program shall be to reduce damages or injury to
16 property involved in farming as defined in section
17 172C.1. The program shall emphasize the prevention of
18 wildlife damage through management techniques which
19 preserve the life and habitat of wildlife. An animal
20 or an animal's habitat shall not be destroyed only
21 because the animal belongs to a particular species.
22 The department shall cooperate with the department of
23 agriculture and land stewardship and either department
24 may contract with the United States department of
25 agriculture to operate the program. The program shall
26 be conducted in accordance with federal and state law,
27 notwithstanding laws relating to open seasons."

By BERL E. PRIEBE SHELDON RITTMER
EMIL J. HUSAK H. KAY HEDGE
LEONARD L. BOSWELL JOHN SOORHOLTZ
JOHN A. PETERSON

S-5387 FILED MARCH 26, 1992
ADOPTED (p.1601)

SENATE FILE 2347

S-5388

1 Amend Senate File 2347 as follows:

2 1. Page 12, by inserting after line 13, the
3 following:

4 " ____ . To the department of natural resources for
5 the purposes of participating and assisting in
6 developing the Lewis and Clark rural water system:
7 \$

8 2. By numbering and renumbering as necessary. 25,000".

By RICHARD VANDE HOEF
JOHN P. KIBBIE

S-5388 FILED MARCH 26, 1992
LOST (p.1602)

SENATE FILE 2347

S-5395

1 Amend Senate File 2347 as follows:

2 1. Page 20, by inserting after line 26 the
3 following:

4 "Sec. ____ . Section 455A.17, subsection 2, Code
5 Supplement 1991, is amended to read as follows:
6 2. The department shall make available to each
7 county resource enhancement committee information
8 regarding resource enhancement and protection
9 expenditures. Each committee shall identify
10 opportunities for county resource enhancement and
11 review and recommend changes in resource enhancement
12 and protection policies, programs, and funding. Each
13 county resource enhancement committee shall elect a
14 member and an alternate from the committee to serve as
15 a delegate to the congress on resources enhancement
16 and protection in order to represent the views of the
17 committee. Each committee shall provide the name and
18 address of each delegate and alternate to the
19 department not less than ninety days before the next
20 congress. Prior to each congress, the director shall
21 make arrangements to hold an assembly of delegates
22 representing counties in each council of governments
23 area of persons having an interest in resources
24 enhancement and protection. The department shall
25 promote attendance of interested persons at each
26 assembly. The director shall call each assembly and
27 serve as temporary chairperson. The department shall
28 provide those attending with information regarding
29 resource enhancement and protection expenditures. The
30 assemblies shall identify opportunities for regional
31 resource enhancement and protection and review and
32 recommend changes in resource enhancement and
33 protection policies, programs, and funding. The
34 persons meeting at each assembly shall elect five
35 persons as delegates to the congress on resources
36 enhancement and protection."

By BEVERLY A. HANNON

S-5395 FILED MARCH 26, 1992

ADOPTED (p.1006)

SENATE FILE 2347

S-5399

1 Amend Senate File 2347 as follows:

2 1. Page 19, by striking line 2, and inserting the
3 following: "commercial seed other than lawn seed,
4 subject to this chapter and the".

By BERL E. PRIEBE
DERRYL MC LAREN
EMIL J. HUSAK

S-5399 FILED MARCH 26, 1992

ADOPTED (p.1006)

House Appropriations 3/26 Amend (5752) - To Pass 4/6

SENATE FILE 2347
BY COMMITTEE ON APPROPRIATIONS

(AS AMENDED AND PASSED BY THE SENATE MARCH 26, 1992)

~~_____~~ - New Language by the Senate
* - Language Stricken by the Senate

Passed Senate, Date See below Passed House, Date 4/4/92 (p. 1365)
Vote: Ayes _____ Nays _____ Vote: Ayes 55 Nays 42
Approved June 3, 1992 with stem veto

A BILL FOR

1 An Act relating to agriculture and natural resources, by making
2 appropriations and statutory changes, and providing effective
3 dates.

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

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Conference Committee Appointed
Rep. Shultz (Chair), Muhlbauer, Hahn, Keeth, & Shradw 4/15 (p. 1477)
Senators Hawk (Chair), Priede, Kibben, McLaren, Heaton 4/16 (p. 1485)

Passed per Conference Committee Report

Senate 33-16 (p. 1780)
House 57-40 (p. 2090)

SF. 2347

1 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

2 Section 1. There is appropriated from the general fund of
3 the state to the department of agriculture and land
4 stewardship for the fiscal year beginning July 1, 1992, and
5 ending June 30, 1993, the following amounts, or so much
6 thereof as is necessary, to be used for the purposes
7 designated:

8 1. ADMINISTRATIVE DIVISION

9 a. For salaries, support, maintenance, the support of the
10 state 4-H foundation, support of the statistics bureau, and
11 miscellaneous purposes:

12 \$ 1,006,128

13 Of the funds appropriated in paragraph "a", \$35,000 shall
14 be allocated to the state 4-H foundation to foster the
15 development of Iowa's youth and to encourage them to study the
16 subject of agriculture.

17 Of the funds appropriated in paragraph "a", \$140,000 and
18 5.00 FTEs shall be allocated to the statistics bureau to
19 provide county-by-county information on land in farms,
20 production by crop, acres by crop, and county prices by crop.
21 This information shall be made available to the department of
22 revenue and finance for use in the productivity formula for
23 valuing and equalizing agricultural land.

24 b. For the operations of the dairy trade practices bureau:
25 \$ 70,000

26 Of the funds appropriated in this paragraph "b" not more
27 than \$47,207 shall be used to support the operations of the
28 dairy trade practices bureau for the fiscal year beginning
29 July 1, 1992, and ending June 30, 1993. Notwithstanding
30 section 8.39, moneys appropriated under this paragraph shall
31 not be transferred by the department to support a purpose
32 other than the operations of the bureau. Notwithstanding
33 section 8.33, unobligated or unencumbered moneys remaining on
34 June 30, 1993, shall not revert, but shall be available for
35 expenditure for the bureau for the next fiscal year and any of

1 these moneys remaining on June 30, 1994, shall revert to the
2 general fund of the state.

3 c. For the operations of the agricultural marketing
4 bureau:
5 \$ 731,140

6 Of the funds appropriated in paragraph "c", \$325,000 and
7 8.00 FTEs shall be used to support horticulture.

8 d. For the purpose of performing commercial feed audits:
9 \$ 56,470

10 e. For the purpose of performing fertilizer audits:
11 \$ 56,470

12 f. Funds appropriated by this subsection are for the
13 salaries and support of not more than the following full-time
14 equivalent positions:
15 FTEs 54.20

16 2. FARMERS' MARKET COUPON PROGRAM

17 For salaries, support, maintenance, and miscellaneous
18 purposes, to be used by the department to continue and expand
19 the farmers' market coupon program by providing federal
20 special supplemental food program recipients with coupons
21 redeemable at farmers' markets, and for not more than the
22 following full-time equivalent positions:
23 \$ 191,887
24 FTEs 1.00

25 3. REGULATORY DIVISION

26 a. For salaries, support, maintenance, miscellaneous
27 purposes, and for not more than the following full-time
28 equivalent positions:
29 \$ 3,407,044
30 FTEs 135.00

31 b. To cover the costs of inspection, sampling, analysis,
32 and other expenses necessary for the administration of
33 chapters 192, 194, and 195:
34 \$ 652,191

35 4. LABORATORY DIVISION

1 a. For salaries, support, maintenance, and miscellaneous
2 purposes, including the administration of the gypsy moth
3 program:

4 \$ 674,280

5 Of the amount appropriated under this paragraph "a",
6 \$50,000 shall be used to administer a program relating to the
7 detection, surveillance, and eradication of the gypsy moth.
8 The department shall not allocate moneys other than
9 appropriated under this paragraph "a" to support the program.

10 b. For the operations of the commercial feed programs:

11 \$ 709,373

12 c. For the operations of the pesticide programs:

13 \$ 1,195,741

14 d. For the operations of the fertilizer programs:

15 \$ 626,149

16 e. Funds appropriated by this subsection are for the
17 salaries and support of not more than the following full-time
18 equivalent positions:

19 FTEs 79.25

20 5. SOIL CONSERVATION DIVISION

21 a. For salaries, support, maintenance, assistance to soil
22 conservation districts, miscellaneous purposes, and for not
23 more than the following full-time equivalent positions:

24 \$ 5,000,784

25 FTEs 173.52

26 Of the funds appropriated in paragraph "a", \$330,000 shall
27 be used to reimburse commissioners of soil and water
28 conservation districts for administrative expenses. Moneys
29 used for the payment of meeting dues by counties shall be
30 matched on a dollar-for-dollar basis by the soil conservation
31 division.

32 b. To provide financial incentives for soil conservation
33 practices under chapter 467A, including section 467A.48:

34 \$ 5,980,673

35 c. The following requirements apply to the funds

1 appropriated by paragraph "b":

2 (1) Not more than 5 percent may be allocated for cost
3 sharing to abate complaints filed under sections 467A.47 and
4 467A.48.

5 (2) Ten percent shall be allocated for financial
6 incentives not exceeding 50 percent of the approved cost of
7 permanent soil conservation practices under chapter 467A on
8 watersheds above publicly owned lakes in accordance with the
9 priority list required in section 107.33A.

10 (3) The soil conservation district commissioners may
11 allocate financial incentives not exceeding 60 percent of the
12 cost of permanent soil conservation practices for special
13 watershed practices or summer construction incentives under
14 section 467A.7, subsections 17 and 19.

15 (4) Except for the allocations subject to subparagraphs
16 (1), (2), and (3), these funds shall not be used alone or in
17 combination with other public funds to provide a financial
18 incentive payment greater than 50 percent of the approved cost
19 for voluntary permanent soil conservation practices and
20 priority shall be given to family-operated farms.

21 (5) The soil conservation committee may allocate funds to
22 conduct research and demonstration projects to promote
23 conservation tillage and nonpoint sources pollution control
24 practices.

25 (6) Not more than 30 percent of a district's allocation
26 may be allocated by the soil conservation district
27 commissioners for the establishment of management practices to
28 control soil erosion on land that is now row cropped.

29 (7) The financial incentive payments may be used in
30 combination with department of natural resources funds.

31 d. The provisions of section 8.33 shall not apply to the
32 funds appropriated by paragraph "b". Unencumbered or
33 unobligated funds remaining on June 30, 1996, from funds
34 appropriated under paragraph "b" for the fiscal year beginning
35 July 1, 1992, shall revert to the general fund on September

1 30, 1996.

2 Sec. 2. There is appropriated from the general fund of the
3 state to the department of agriculture and land stewardship
4 for the fiscal year beginning July 1, 1992, and ending June
5 30, 1993, the following amount, or so much thereof as is
6 necessary, to be used for the purposes designated:

7 To fund lamb and wool management education projects
8 approved by the department at community colleges selected as
9 project sites as provided in section 99E.32, subsection 3,
10 paragraph "m":

11 \$ 193,500

12 Sec. 3. There is appropriated from the general fund of the
13 state to the department of agriculture and land stewardship
14 for the fiscal year beginning July 1, 1992, and ending June
15 30, 1993, the following amount, or so much thereof as is
16 necessary, to be used for the purpose designated:

17 For support of the pseudorabies eradication program:

18 \$ 800,000

19 Sec. 4. There is appropriated from the funds available
20 under section 99D.13 to the regulatory division of the
21 department of agriculture and land stewardship for the fiscal
22 year beginning July 1, 1992, and ending June 30, 1993, the
23 following amount, or so much thereof as is necessary, to be
24 used for the purposes designated:

25 For salaries, support, maintenance, and miscellaneous
26 purposes for the administration of section 99D.22:

27 \$ 174,342

28 INTERSTATE COMPACT ON AGRICULTURAL GRAIN MARKETING

29 Sec. 5. There is appropriated from the general fund of the
30 state to the interstate agricultural grain marketing
31 commission for the fiscal year beginning July 1, 1992, and
32 ending June 30, 1993, the following amount, or so much thereof
33 as is necessary, to be used for the purpose designated:

34 For carrying out duties of the commission as provided in
35 Article IV of the interstate compact on agricultural grain

1 marketing as provided in chapter 183:

2 \$ 61,950

3 DEPARTMENT OF NATURAL RESOURCES

4 Sec. 6. There is appropriated from the general fund of the
5 state to the department of natural resources for the fiscal
6 year beginning July 1, 1992, and ending June 30, 1993, the
7 following amounts, or so much thereof as is necessary, to be
8 used for the purposes designated:

9 1. ADMINISTRATIVE SERVICES DIVISION

10 For salaries, support, maintenance, miscellaneous purposes,
11 and for not more than the following full-time equivalent
12 positions:

13 \$ 2,069,541

14 FTEs 135.00

15 2. PARKS AND PRESERVES DIVISION

16 For salaries, support, maintenance, miscellaneous purposes,
17 and for not more than the following full-time equivalent
18 positions:

19 \$ 5,205,155

20 FTEs 210.57

21 3. FORESTS AND FORESTRY DIVISION

22 For salaries, support, maintenance, miscellaneous purposes,
23 and for not more than the following full-time equivalent
24 positions:

25 \$ 1,398,298

26 FTEs 55.71

27 4. ENERGY AND GEOLOGICAL RESOURCES DIVISION

28 For salaries, support, maintenance, miscellaneous purposes,
29 and for not more than the following full-time equivalent
30 positions:

31 \$ 1,463,835

32 FTEs 55.02

33 5. ENVIRONMENTAL PROTECTION DIVISION

34 For salaries, support, maintenance, miscellaneous purposes,
35 and for not more than the following full-time equivalent

1 positions:

2 \$ 2,113,501

3 FTEs 174.00

4 6. FISH AND WILDLIFE DIVISION

5 For not more than the following full-time equivalent

6 positions:

7 FTEs 338.78

8 7. WASTE MANAGEMENT ASSISTANCE DIVISION

9 For not more than the following full-time equivalent

10 positions:

11 FTEs 18.75

12 8. For the green thumb program for the employment of the
13 elderly in conservation and outdoor recreation related fields
14 in coordination with other agencies as provided by law, and
15 for not more than the following full-time equivalent

16 positions:

17 \$ 130,000

18 FTEs 10.00

19 Sec. 7. There is appropriated from the state fish and game
20 protection fund to the division of fish and wildlife of the
21 department of natural resources for the fiscal year beginning
22 July 1, 1992, and ending June 30, 1993, the following amounts,
23 or so much thereof as is necessary, to be used for
24 administrative support, and for salaries, support,
25 maintenance, equipment, and miscellaneous purposes:

26 \$ 18,386,561

27 The department shall not expend more moneys from the fish
28 and game protection fund than provided in this section, unless
29 the expenditure derives from contributions made by a public or
30 private entity, including the federal government, and is
31 approved by the natural resource commission. The department
32 of natural resources shall promptly notify the legislative
33 fiscal bureau of the commission's approval, and the
34 chairpersons and ranking members of the agriculture and
35 natural resources appropriation subcommittee.

1 Sec. 8. There is appropriated from the marine fuel tax
2 receipts deposited in the general fund of the state to the
3 department of natural resources for the fiscal year beginning
4 July 1, 1992, and ending June 30, 1993, the following amounts,
5 or so much thereof as is necessary, to be used for the
6 purposes designated:

7 a. For purposes of funding expenditures traditionally
8 funded from marine fuel tax revenues, but not considered as
9 capitals or operations:

10 \$ 200,000

11 b. For purposes of funding capitals traditionally funded
12 from marine fuel tax receipts for the purposes specified in
13 section 324.79, providing for lake preservation as provided in
14 subparagraph (1), and stabilizing stream channels as provided
15 in subparagraph (2):

16 \$ 1,540,000

17 (1) Of the moneys appropriated under this paragraph "b",
18 \$500,000 shall be allocated by the department to continue lake
19 preservation, including dredging operations, at Black Hawk
20 Lake, located at Lake View, Iowa. Remaining moneys previously
21 designated for Black Hawk Lake from the federal clean lakes
22 program shall be allocated on a matching basis with moneys
23 appropriated under this paragraph "b" for purposes of
24 preserving Black Hawk Lake. The allocation of moneys shall be
25 contingent upon land used as a spoil site for the lake being
26 provided without financial obligation to the state. This
27 subparagraph (1) shall become effective upon enactment.

28 (2) Of the moneys appropriated under this paragraph "b",
29 \$100,000 shall be allocated by the department to the division
30 of soil conservation in the department of agriculture and land
31 stewardship for purposes of participating with local entities
32 including local governments, and with entities receiving
33 federal funding, in developing and installing projects that
34 stabilize degrading stream channels in areas of the state
35 determined by the division to require assistance.

1 (3) Notwithstanding section 8.33, the unencumbered or
2 unobligated moneys remaining on June 30, 1993, from moneys
3 appropriated for purposes of funding capitals traditionally
4 funded from marine fuel tax receipts as provided in this
5 paragraph "b" for the fiscal year beginning July 1, 1992,
6 shall revert on September 30, 1994.

7 Sec. 9. There is transferred on July 1, 1992, from the
8 fees deposited under section 321G.7 to the fish and game
9 protection fund and appropriated to the department of natural
10 resources for the fiscal year beginning July 1, 1992, and
11 ending June 30, 1993, the following amount, or so much thereof
12 as is necessary, to be used for the purpose designated:

13 For the purpose of enforcing snowmobile laws as part of the
14 state snowmobile program administered by the department of
15 natural resources:

16 \$ 100,000

17 Sec. 10. There is transferred on July 1, 1992, from the
18 fees deposited under section 106.52 to the fish and game
19 protection fund and appropriated to the department of natural
20 resources for the fiscal year beginning July 1, 1992, and
21 ending June 30, 1993, the following amount, or so much thereof
22 as is necessary, to be used for the purpose designated:

23 For purposes of administration and enforcement of
24 navigation laws and water safety:

25 \$ 950,000

26 Sec. 11. WILDLIFE DAMAGE CONTROL. There is appropriated
27 from the livestock disease fund established pursuant to
28 section 267.8, to the department of natural resources for the
29 fiscal year beginning July 1, 1992, and ending June 30, 1993,
30 the following amount to be used for purposes of supporting a
31 wildlife damage management program:

32 \$ 50,000

33 The program shall provide for controlling wildlife,
34 including deer and predators, which interfere with
35 agricultural production. A primary purpose of the program

1 shall be to reduce damages or injury to property involved in
2 farming as defined in section 172C.1. The program shall
3 emphasize the prevention of wildlife damage through management
4 techniques which preserve the life and habitat of wildlife.
5 An animal or an animal's habitat shall not be destroyed only
6 because the animal belongs to a particular species. The
7 department shall cooperate with the department of agriculture
8 and land stewardship and either department may contract with
9 the United States department of agriculture to operate the
10 program. The program shall be conducted in accordance with
11 federal and state law, notwithstanding laws relating to open
12 seasons.

13 Sec. 12. Notwithstanding the amount of the standing
14 appropriation from the general fund of the state under section
15 455A.18, subsection 3, there is appropriated from the general
16 fund of the state, in lieu of the appropriation made in
17 section 455A.18, for the fiscal year beginning July 1, 1992,
18 to the Iowa resources enhancement and protection fund the sum
19 of \$5,000,000.

20 Sec. 13. Notwithstanding the requirement in section
21 99E.10, subsection 1, to transfer lottery revenue remaining
22 after expenses are deducted, prior to any such transfer there
23 is appropriated from the lottery fund to the following named
24 entities, agencies, and funds for the fiscal year beginning
25 July 1, 1992, and ending June 30, 1993, the following amounts,
26 or so much thereof as is necessary, to be used for the
27 purposes designated:

- 28 1. The waste volume reduction and recycling fund:
29 \$ 700,000

30 Moneys appropriated in this subsection shall be used as
31 follows:

- 32 a. One-half of the moneys shall be used for the purposes
33 specified pursuant to section 455D.15, subsection 2. The
34 moneys shall be allocated to each county on the basis of
35 population. The county allocation shall be distributed

1 quarterly by the department to each county. The county shall
2 immediately distribute the funds to the cities based upon the
3 proportion of the city's respective population to the total
4 county population, and the county shall retain the portion of
5 the funds based upon the proportion of the unincorporated area
6 of the county to the total population of the county. The
7 funds shall be used by the county and the cities for the
8 implementation of the comprehensive plan elements required
9 pursuant to section 455B.306 and relative to chapter 455D.

10 b. One-half of the moneys shall be used for the purposes
11 specified pursuant to section 455D.15, subsection 3.
12 Preference shall be given by the department of natural
13 resources in providing grants that assist in the reduction of
14 waste at its source.

15 2. The agricultural management account of the groundwater
16 protection fund as provided in section 455E.11, subsection 2,
17 paragraph "b", to be used for plugging abandoned wells and
18 cisterns:

19 \$ 100,000

20 3. The groundwater protection fund created in section
21 455E.11 to provide grants to counties for rural water testing
22 under section 455B.172, subsection 5:

23 \$ 100,000

24 4. The Iowa state university of science and technology for
25 allocation to the Iowa state university water resource
26 research institute for the purposes and under the conditions
27 specified in section 99E.32, subsection 4, paragraph "e":

28 \$ 50,000

29 5. The environmental protection division of the department
30 of natural resources to be used for the assessment and
31 evaluation of surface water streams and rivers:

32 \$ 100,000

33 6. The soil conservation division of the department of
34 agriculture and land stewardship to provide state soil and
35 water conservation cost-sharing funds pursuant to sections

1 467A.42 through 467A.75:

2 \$ 200,000

3 7. The water protection fund created in section 467F.4, to
4 be used for filter strips and waterways projects. The
5 governing body of each soil and water conservation district
6 shall identify those critical areas within the district where
7 permanent grass and buffer zones would mitigate the effects of
8 concentrated runoff on surface water quality. The governing
9 body shall notify the landowners of those critical areas and
10 provide the landowners with recommendations to establish these
11 permanent grass and buffer zones, including any erosion
12 control structures that may be appropriate, to mitigate the
13 effects of concentrated runoff on surface water quality. In
14 providing this notification and these recommendations, the
15 governing body shall also inform the landowners that the
16 establishment of these zones along with any erosion control
17 structures may be eligible for financial assistance under the
18 incentive programs within the water protection fund pursuant
19 to section 467F.4 and may also qualify for cost-sharing funds
20 pursuant to section 467A.48:

21 \$ 150,000

22 8. The soil conservation division of the department of
23 agriculture and land stewardship for reforestation programs:

24 \$ 150,000

25 9. The Iowa energy center to be used for transportation
26 studies and projects which enhance energy efficiency and self-
27 sufficiency:

28 \$ 200,000

29 10. The department of agriculture and land stewardship,
30 for on-farm alternative fuels demonstration projects:

31 \$ 100,000

32 11. The Iowa energy center to be used for competitive
33 grants, for comprehensive, in-depth, community-wide projects
34 to reduce energy consumption and enhance energy self-
35 sufficiency. Cities, clusters of cities, and counties are

1 eligible to apply for grants. Applications may be limited to
2 building efficiency or vehicle efficiency or may contain both
3 and shall contain a component for ongoing education concerning
4 the goals of the plan and how to achieve those goals. The
5 moneys under this subsection shall be allocated equally for
6 building efficiency and vehicle efficiency. However, if the
7 moneys allocated to either category are not used or dedicated
8 by April 1 of the fiscal year, the moneys may be reallocated
9 to the other category:

10 \$ 200,000

11 12. To the department of natural resources for the
12 administration of energy efficiency programs and projects:

13 \$ 150,000

14 13. To the office of renewable fuel established pursuant
15 to section 159A.3 for renewable fuel activities under chapter
16 159A:

17 \$ 300,000

18 14. The agency or entity to which moneys are appropriated
19 or which oversee a fund to which moneys are appropriated under
20 this section may use some of those moneys for administrative
21 costs relating to the use of those moneys, including
22 additional full-time equivalent positions. The acquisition of
23 additional full-time equivalent positions authorized under
24 this subsection are not subject to any freeze, set by the
25 governor, or the limit, set by the general assembly, on the
26 number of full-time equivalent positions that such agency or
27 entity may have. The agency or entity that adds additional
28 full-time equivalent positions shall report the fact and the
29 purpose at the end of the applicable quarter to the fiscal
30 committee of the legislative council.

31 Sec. 14. The department of agriculture and land
32 stewardship is not required to reimburse a person not employed
33 by the department, including the auditor of state or the
34 attorney general, for rendering services for or on behalf of
35 the department unless the department receives a bill which

1 itemizes the services and charges rendered by the person for
2 performing these services.

3 This section, being deemed of immediate importance, takes
4 effect upon enactment of this Act.

5 Sec. 15. The department of agriculture and land
6 stewardship and the department of natural resources, in
7 cooperation as necessary with the department of management and
8 the department of personnel, shall provide a list to the
9 legislative fiscal bureau, on a quarterly basis, of all
10 permanent positions added to or deleted from the departments'
11 table of organization in the previous fiscal quarter. This
12 list shall include at least the position number, salary range,
13 projected funding source or sources of each position, and the
14 reason for the addition or deletion. The legislative fiscal
15 bureau may use this information to assist in the establishment
16 of the full-time equivalent position limits contained in the
17 appropriation bill for the departments.

18 Sec. 16. The department of revenue and finance in
19 cooperation with the department of agriculture and land
20 stewardship and the department of natural resources shall
21 track receipts to the general fund which have traditionally
22 been deposited into the following funds:

- 23 1. The fertilizer fund created in section 200.9.
- 24 2. The pesticide fund created in section 206.12.
- 25 3. The dairy trade practices trust fund pursuant to
26 section 192A.30.
- 27 4. The milk fund created in section 192.111.
- 28 5. The commercial feed fund created in section 198.9.
- 29 6. The marine fuel tax fund created in section 324.79.
- 30 7. The energy research and development fund provided in
31 section 93.11.

32 The departments designated in this section shall prepare
33 reports detailing revenue from receipts traditionally
34 deposited into each of the funds. A report shall be submitted
35 to the legislative fiscal bureau at least once for each three-

1 month period as designated by the legislative fiscal bureau.

2 Sec. 17. The department of natural resources shall provide
3 the legislative fiscal bureau information and financial data
4 by cost center, on at least a monthly basis, relating to the
5 indirect cost accounting procedure, the amount of funding from
6 each funding source for each cost center, and the internal
7 budget system used by the department. The information shall
8 include but is not limited to financial data covering the
9 department's budget by cost center and funding source prior to
10 the start of the fiscal year, and to the department's actual
11 expenditures by cost center and funding source after the
12 accounting system has been closed for that fiscal year.

13 Sec. 18. Notwithstanding section 17A.2, subsection 7,
14 paragraph "g", the department of natural resources shall by
15 rule establish prices of plant material grown at the state
16 forest nurseries to cover all expenses related to the growing
17 of the plants.

18 The department shall develop programs to encourage the wise
19 management and preservation of existing woodlands and shall
20 continue its efforts to encourage forestation and
21 reforestation on private and public lands in the state.

22 The department shall encourage a cooperative relationship
23 between the state forest nurseries and private nurseries in
24 the state in order to achieve these goals.

25 Sec. 19. During the fiscal year for which funds are
26 appropriated by sections 6 and 7 of this Act, the department
27 of natural resources shall not require the installation or use
28 of equipment to control the emission of dust or other
29 particulate matter on or by facilities for storage of grain
30 which are located within the ambient air quality attainment
31 areas for suspended particulates.

32 Sec. 20. DIFFERENTIAL TONNAGE FEE FOR FOUNDRY MATERIAL.
33 Notwithstanding section 455B.310, subsection 10, foundry
34 material that is deposited at a permitted landfill and used
35 for daily cover, shall be subject to the fees specified in

1 that subsection, regardless of whether the foundry material is
2 used to replace material that would otherwise be purchased and
3 transported from off-site.

4 This section is repealed on July 1, 1993.

5 Sec. 21. CODE EDITOR. The Code editor shall change the
6 name of the waste management authority within the department
7 of natural resources to the waste management assistance
8 division wherever it appears in the Code.

9 Sec. 22. Section 93.11, subsection 1, paragraph f,
10 unnumbered paragraph 2, Code Supplement 1991, is amended to
11 read as follows:

12 Notwithstanding the provisions of this section directing
13 that moneys be deposited into the energy research and
14 development fund, for the fiscal period beginning July 1,
15 1991, and ending June 30, 1993, all moneys shall be deposited
16 into the general fund of the state. ~~There is appropriated~~
17 ~~annually from the general fund of the state the sum of one~~
18 ~~hundred fifty thousand dollars to be used for the purposes of~~
19 ~~this section.~~

20 Sec. 23. Section 111.42, subsection 1, Code Supplement
21 1991, is amended by adding the following new unnumbered
22 paragraph:

23 NEW UNNUMBERED PARAGRAPH. This subsection, notwithstanding
24 its exceptions, shall also apply in a state recreation area
25 located within two miles of a city having a population of more
26 than fifty thousand.

27 Sec. 24. NEW SECTION. 159.6A CONTRIBUTIONS.

28 The department may accept contributions, including gifts
29 and grants, in order to carry out and administer the
30 provisions of this chapter. The department shall maintain an
31 itemized accounting of the contributions. At the end of each
32 fiscal year, the department shall prepare a list recognizing
33 private contributors.

34 Sec. 25. Section 159.20, unnumbered paragraph 1, Code
35 Supplement 1991, is amended to read as follows:

1 ~~An agricultural marketing division is created within the~~
2 ~~department.~~ The division department shall perform duties
3 designed to lead to more advantageous marketing of Iowa
4 agricultural commodities. The division department may do any
5 of the following:

6 Sec. 26. Section 159.20, subsections 5 and 9, Code
7 Supplement 1991, are amended to read as follows:

8 5. Accumulate and diffuse information concerning the
9 marketing of agricultural commodities in cooperation with
10 persons, agencies, or the federal government. The division
11 department shall establish an agricultural commodity
12 informational data base.

13 9. Cooperate with the Iowa department of economic
14 development to avoid duplication of efforts between the
15 division department and the agricultural marketing program
16 operated by the Iowa department of economic development.

17 Sec. 27. Section 159.20, unnumbered paragraph 2, Code
18 Supplement 1991, is amended by striking the paragraph.

19 Sec. 28. Section 159.22, Code Supplement 1991, is amended
20 to read as follows:

21 159.22 GRANTS AND GIFTS OF FUNDS.

22 ~~The division may with the approval of the secretary may~~
23 accept grants and allotments of funds from the federal
24 government and enter into co-operative agreements with the
25 United States department of agriculture for projects to
26 effectuate a purpose described in this subchapter. ~~The~~
27 ~~division may accept grants, gifts or allotments of funds from~~
28 ~~any person for the purpose of carrying out the provisions of~~
29 ~~this subchapter. If funds are accepted from a person, the~~
30 ~~director shall prepare an itemized accounting to the~~
31 ~~department at the end of each fiscal year.~~

32 Sec. 29. Section 159.23, Code 1991, is amended to read as
33 follows:

34 159.23 SPECIAL FUND.

35 All fees collected as a result of the inspection and

1 grading provisions set out herein shall be paid into the state
2 treasury, there to be set aside in a separate fund which is
3 hereby appropriated for the use of the division except as
4 indicated. Withdrawals therefrom shall be by warrant of the
5 director of revenue and finance upon requisition by the
6 ~~administrator of the division approved by the~~ secretary of
7 agriculture. Such fund shall be continued from year to year,
8 provided, however, that if there be any balance remaining at
9 the end of the biennium which, in the opinion of the governor,
10 director of management and secretary of agriculture, is
11 greater than necessary for the proper administration of the
12 inspection and grading program referred to herein, the
13 treasurer of state is hereby authorized on the recommendation
14 and with the approval of the governor, director of management
15 and secretary of agriculture, to transfer to the general fund
16 of the state that portion of such account as they shall deem
17 advisable.

18 Sec. 30. Section 159.24, Code 1991, is amended to read as
19 follows:

20 159.24 GRADES OR CLASSIFICATIONS OF FARM PRODUCTS.

21 A certificate of the grade, or other classification, of any
22 farm products issued under ~~this division of~~ this chapter shall
23 be accepted in any court of this state as prima facie evidence
24 of the true grade or classification of such farm products as
25 the same existed at the time of their classification.

26 Sec. 31. Section 159.37, subsection 1, Code 1991, is
27 amended to read as follows:

28 1. The department shall establish ~~within the international~~
29 ~~trade bureau of the marketing division~~ a special quality
30 grains electronic bulletin board system. The system shall be
31 available to any and all buyers and sellers of special quality
32 grains for the purpose of posting the availability of special
33 quality grains, or a demand for special quality grains.

34 Sec. 32. Section 159A.3, subsection 1, unnumbered
35 paragraph 1, Code Supplement 1991, is amended to read as

1 follows:

2 An office of renewable fuel is created within the
3 ~~agricultural-marketing-division-of~~ the department and shall be
4 staffed by a coordinator who shall be appointed by the
5 ~~division-administrator~~ secretary. It shall be the policy of
6 the office to further renewable fuel activities. The office
7 shall first further renewable fuel activities based on the
8 following considerations:

9 Sec. 33. Section 199.3, subsection 4, Code 1991, is
10 amended by adding the following new paragraph:

11 NEW PARAGRAPH. g. The last date on which the variety of
12 seed will normally germinate according to standards
13 established by rules adopted by the department.

14 Sec. 34. Section 199.11, Code 1991, is amended to read as
15 follows:

16 199.11 AUTHORITY OF SECRETARY-OF-AGRICULTURE THE
17 DEPARTMENT.

18 1. For the purpose of carrying out the provisions of this
19 chapter, the ~~state-secretary-of-agriculture-who-may-act~~
20 ~~through-authorized-agents-is-hereby-authorized-and-directed~~
21 department shall do all of the following:

22 a. ~~To-sample~~ Sample, inspect, ~~make-analysis-of~~ analyze,
23 and test agricultural ~~seeds~~ seed other than lawn seed, if the
24 agricultural seed is transported, sold, offered, or exposed
25 for sale within this state for sowing purposes. The
26 department shall perform these duties at such a time and place
27 and to such an extent as-the-secretary-may-deem necessary to
28 determine whether ~~said~~ the agricultural ~~seeds-are~~ seed is in
29 compliance with ~~the-provisions-of~~ this chapter, ~~and-to-notify.~~
30 The department shall promptly notify the person who
31 transported, sold, offered, or exposed the seed for sale, of
32 any a violation.

33 b. ~~To-prescribe-and,-after-public-hearing-following-due~~
34 ~~public-notice,-to-adopt~~ Adopt rules and regulations governing
35 the methods of sampling, inspecting, ~~analysis,-tests~~

1 ~~analyzing, testing, and examination-of~~ examining agricultural
2 ~~seed-and-the~~ other than lawn seed. The rules shall include
3 tolerances to be followed in the administration of this
4 chapter, which shall be in general accord with officially
5 prescribed practice in interstate commerce under the federal
6 seed Act and ~~such other rules and~~ or regulations ~~as-may-be~~
7 ~~necessary to-secure~~ for the efficient enforcement of this
8 chapter.

9 2. ~~Further-for~~ For the purpose of carrying out the
10 provisions of this chapter, the ~~state-secretary-of~~
11 ~~agriculture-individually-or-through-authorized-agents-is~~
12 ~~authorized-and-directed~~ department may:

13 a. ~~To-enter~~ Enter upon any public or private premises
14 during regular business hours in order to have access to seeds
15 commercial seed other than lawn seed, subject to this chapter
16 ~~and the departmental rules and regulations thereunder.~~

17 b. ~~To-issue~~ Issue and enforce a written or printed "stop
18 sale" order to the owner or custodian of any lot of
19 agricultural seed other than lawn seed which the state
20 ~~secretary-of-agriculture-or-the-secretary's-authorized-agents~~
21 ~~believe~~ department believes is in violation of ~~any-of-the~~
22 ~~provisions-of~~ this chapter ~~which~~ or departmental rules. The
23 order shall prohibit further sale of ~~such~~ the seed until such
24 ~~officer~~ the department has evidence ~~that-the-law-has-been~~
25 ~~complied-with-provided-that~~ of compliance. However, the
26 owner or custodian of ~~such~~ the seed shall be permitted to
27 remove ~~said~~ the seed from a salesroom open to the public,
28 ~~provided-further-that-in-respect-to-seeds-which-have-been~~
29 ~~denied-sale-as-provided-in-this-subsection-judicial.~~
30 Judicial review of the order may be sought in accordance with
31 ~~the-terms-of-the-Iowa-administrative-procedure-Act~~ chapter
32 17A. ~~Notwithstanding-the-terms-of-said-Act~~ However,
33 notwithstanding chapter 17A, petitions for judicial review may
34 be filed in the district court, ~~and-provided-further-that-the~~
35 ~~provisions-of-this.~~ This subsection shall does not be

1 ~~construed-as-limiting~~ limit the right of the enforcement
2 officer ~~department~~ to proceed as authorized by other sections
3 of this chapter.

4 c. ~~To-establish~~ Establish and maintain or make provision
5 for seed testing facilities essential to the enforcement of
6 this chapter, ~~to.~~ The department may employ qualified
7 persons, and ~~to incur such expenses as-may-be~~ necessary to
8 comply with these provisions.

9 d. ~~To-co-operate~~ Cooperate with the United States
10 department of agriculture in seed law enforcement.

11 Sec. 35. Section 455A.5, subsection 6, Code Supplement
12 1991, is amended by adding the following new paragraph:

13 NEW PARAGRAPH. f. Approve or disapprove proposals
14 involving the dredging or renovation of lakes; the
15 acquisition, development, and maintenance of boating
16 facilities; and the acquisition, development, and maintenance
17 of recreational facilities associated with recreational
18 boating.

19 Sec. 36. Section 455A.6, subsection 6, paragraph d, Code
20 Supplement 1991, is amended to read as follows:

21 d. Approve the budget request prepared by the director for
22 the programs authorized by chapters 455B, 455C, 455E, and
23 455F. The commission shall approve the budget request
24 prepared by the director for programs administered by the
*25 energy and geological resources division, ~~the-coordination-and~~
26 ~~information-division,~~ the administrative services division,
27 and the office of the director, as provided in section 455A.7.
28 The commission may increase, decrease, or strike any item
29 within the department budget request for the specified
30 programs before granting approval.

31 Sec. 37. Section 455A.7, subsection 1, paragraph g, Code
32 Supplement 1991, is amended to read as follows:

33 g. Administrative services division which is responsible
34 for administration of the department, including finance,
35 budget and grants, administrative support, data processing,

1 licensing, and construction services, governmental liaison
2 services, information dissemination, education, and planning.

3 Sec. 38. Section 455A.7, subsection 1, paragraph f, Code
4 Supplement 1991, is amended by striking the paragraph.

5 Sec. 39. Section 455A.17, subsection 2, Code Supplement
6 1991, is amended to read as follows:

7 2. The department shall make available to each county
8 resource enhancement committee information regarding resource
9 enhancement and protection expenditures. Each committee shall
10 identify opportunities for county resource enhancement and
11 review and recommend changes in resource enhancement and
12 protection policies, programs, and funding. Each county
13 resource enhancement committee shall elect a member and an
14 alternate from the committee to serve as a delegate to the
15 congress on resources enhancement and protection in order to
16 represent the views of the committee. Each committee shall
17 provide the name and address of each delegate and alternate to
18 the department not less than ninety days before the next
19 congress. Prior to each congress, the director shall make
20 arrangements to hold an assembly of delegates representing
21 counties in each council of governments area of persons having
22 an interest in resources enhancement and protection. The
23 department shall promote attendance of interested persons at
24 each assembly. The director shall call each assembly and
25 serve as temporary chairperson. The department shall provide
26 those attending with information regarding resource
27 enhancement and protection expenditures. The assemblies shall
28 identify opportunities for regional resource enhancement and
29 protection and review and recommend changes in resource
30 enhancement and protection policies, programs, and funding.
31 The persons meeting at each assembly shall elect five persons
32 as delegates to the congress on resources enhancement and
33 protection:

34 Sec. 40. Section 543.4, subsection 6, Code 1991, is
35 amended to read as follows:

1 6. The department is entitled to reimbursement out of
2 commodities or proceeds held in receivership for all expenses
3 incurred as court costs or in handling and disposing of stored
4 commodities, and for all other costs directly attributable to
5 the receivership. The right of reimbursement of the
6 department is prior to any claims against the commodities or
7 proceeds of sales of commodities, and constitutes a claim
8 against a deficiency bond or irrevocable letter of credit.
9 Notwithstanding section 8.33, the reimbursement amount
10 received by the department in a fiscal year shall not revert
11 unless unobligated or unencumbered on June 30 of the following
12 fiscal year.

13 Sec. 41. Section 543A.4, Code 1991, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 4. a. The administrative costs incurred
16 by the department necessary for the operation of the board and
17 the fund shall be paid from the fund after approval by the
18 board.

19 b. The board shall, on July 1 of each fiscal year, provide
20 for the transfer of four hundred forty thousand dollars to the
21 department for use by the warehouse bureau for administrative
22 purposes. The amount transferred shall be in addition to the
23 payment of costs to the bureau for performing administrative
24 functions provided under paragraph "a".

25 Sec. 42. 1991 Iowa Acts, chapter 268, sections 212 and
26 213, are repealed.

27 This section, being deemed of immediate importance, takes
28 effect upon enactment.

29 Sec. 43. This Act takes effect on July 1, 1992, except as
30 otherwise provided in specific sections of this Act.

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35

SENATE FILE 2347

H-5597

1 Amend Senate File 2347, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 10, by inserting after line 12, the
4 following:

5 "Sec. ____ . NOTICE TO GOLF COURSES. Unless an
6 agreement is reached by the department of natural
7 resources with a private organization to provide
8 funding for the notice to be made pursuant to this
9 section, there is appropriated from the general fund
10 of the state to the department of natural resources
11 for the fiscal year beginning July 1, 1992, and ending
12 June 30, 1993, the following amount, or so much
13 thereof as is necessary, to be used for the mailing of
14 a notice to all public and private golf courses
15 concerning the liability limitations relating to
16 persons golfing and golf facilities as provided in
17 section 668B.1:

18 \$ 375"
19 2. Page 23, by inserting after line 24 the

20 following:

21 "Sec. ____ . NEW SECTION. 668B.1 LIABILITY OF
22 PERSON ENGAGING IN THE ACTIVITY OF GOLFING.

23 A participant engaging in the activity of golfing
24 is presumed to have assumed the risk of any injury
25 resulting from the participant's own acts or the acts
26 of another participant which are directly related to
27 the normal golfing activity and which occur on or near
28 the golf course. A participant unintentionally
29 causing an injury as a result of that participant's
30 golfing activity is not liable unless the injury is
31 the result of the willful or reckless behavior of the
32 participant. A person providing the premises where
33 participants engage in the activity of golfing is not
34 liable for an injury which occurs as the result of
35 normal golfing activity unless the person knew or
36 should have known that there was a condition on the
37 premises which involved an unreasonable risk of injury
38 to any participant.

39 For purposes of this section "participant" includes
40 the individual engaging in the activity of golf and
41 any other individual who enters the premises where
42 such activity occurs."

43 3. By renumbering as necessary.

By BISIGNANO of Polk CORBETT of Linn
GRUBBS of Scott MILLAGE of Scott

H-5597 FILED MARCH 30, 1992

Classified 4/14 (p. 1344)

SENATE FILE 2347

H-5602

1 Amend Senate File 2347, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 13, by inserting after line 13, the
4 following:

5 "_____ To the department of natural resources for
6 the purposes of participating and assisting in
7 developing the Lewis and Clark rural water system:

8 \$ 25,000".

9 2. By numbering and renumbering as necessary.

By FOGARTY of Palo Alto
DE GROOT of Lyon

H-5602 FILED MARCH 30, 1992

Place 2 o/s 4/14 (p. 1343)

SENATE FILE 2347

H-5752

1 Amend Senate File 2347, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, line 25, by striking the figure
4 "70,000" and inserting the following: "47,207".

5 2. By striking page 1, line 26 through page 2,
6 line 2.

7 3. Page 2, line 5, by striking the figure
8 "731,140" and inserting the following: "658,419".

9 4. Page 2, line 15, by striking the figure
10 "54.20" and inserting the following: "52.20".

11 5. Page 3, by striking lines 8 and 9.

12 6. Page 3, line 24, by striking the figure
13 "5,000,784" and inserting the following: "4,900,784".

14 7. Page 3, line 26, by striking the figure
15 "330,000" and inserting the following: "230,000".

16 8. Page 4, line 5, by striking the word "Ten" and
17 inserting the following: "Five".

18 9. Page 4, line 6, by striking the figure "50"
19 and inserting the following: "60".

20 10. Page 4, line 25, by striking the figure "30"
21 and inserting the following: "50".

22 11. Page 5, by striking lines 2 through 11.

23 12. Page 5, line 18, by striking the figure
24 "800,000" and inserting the following: "400,000".

25 13. Page 6, by striking line 9 and inserting the
26 following:

27 "_____. ADMINISTRATIVE AND SUPPORT SERVICES".

28 14. Page 7, by striking lines 12 through 18.

29 15. Page 7, by striking lines 29 and 30 and
30 inserting the following: "the expenditure derives
31 from contributions made by a private entity, or a
32 grant or moneys received from the federal government
33 and is".

34 16. Page 8, by inserting after line 10 the
35 following:

36 "_____. For purposes of maintaining and developing
37 boating facilities and access to public waters by the
38 parks and preserves division: \$ 435,375

39
40 "_____. For deposit in the state fish and game
41 protection fund for maintenance of boating access on
42 lands managed by the fish and wildlife division: \$ 145,125".

43
44 17. Page 8, by striking lines 13 through 15 and
45 inserting the following: "section 324.79:".

46 18. Page 8, by striking lines 17 through 35.

47 19. Page 9, by inserting after line 25, the
48 following:

49 "Sec. _____. NOTICE TO GOLF COURSES. Unless an
50 agreement is reached by the department of natural

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1 resources with a private organization to provide
 2 funding for the notice to be made pursuant to this
 3 section, there is appropriated from the general fund
 4 of the state to the department of natural resources
 5 for the fiscal year beginning July 1, 1992, and ending
 6 June 30, 1993, the following amount, or so much
 7 thereof as is necessary, to be used for the mailing of
 8 a notice to all public and private golf courses
 9 concerning the liability limitations relating to
 10 persons golfing and golf facilities as provided in
 11 section 668B.1:

12 \$ 375".

13 20. By striking page 9, line 26 through page 10,
 14 line 12.

15 21. Page 10, line 19, by striking the figure
 16 "5,000,000" and inserting the following:
 17 "11,500,000".

18 22. By striking page 10, line 20 through page 13,
 19 line 30.

20 23. By striking page 15, line 25 through page 16,
 21 line 1, and inserting the following:

22 "Sec. ____ . DIFFERENTIAL TONNAGE FEE FOR FOUNDRY
 23 MATERIAL.

24 1. Notwithstanding section 455B.310, subsection
 25 10, for the fiscal year beginning July 1, 1992, and
 26 ending June 30, 1993, the tonnage fee is one dollar
 27 and fifty cents for each ton of foundry material which
 28 is not more than forty percent of the total amount of
 29 foundry material deposited at a permitted sanitary
 30 landfill for daily cover by any one source, regardless
 31 of whether the foundry material is".

32 24. Page 16, line 3, by inserting after the word
 33 "off-site." the following: "The fees collected
 34 pursuant to this subsection shall be deposited into
 35 the groundwater protection fund established pursuant
 36 to section 455E.11. Of each fee collected fifty cents
 37 shall be used as provided in section 455E.11,
 38 subsection 2, paragraph "a", subparagraph (8), and one
 39 dollar shall be used as provided in section 455E.11,
 40 subsection 2, paragraph "a", subparagraph (9).

41 2. The amount of foundry material deposited at the
 42 sanitary landfill which is greater than forty percent
 43 of the total amount deposited by any one source is
 44 subject to the tonnage fee imposed in section
 45 455B.310, subsection 2. The fees collected pursuant
 46 to this subsection shall be appropriated as provided
 47 in section 455B.310, subsection 2."

48 25. Page 16, by inserting after line 4 the
 49 following:

50 "Sec. ____ . ZERO-BASE BUDGET PROPOSAL. The parks

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1 and preserves division of the department of natural
2 resources shall submit a zero-base budget proposal for
3 the fiscal year beginning July 1, 1993, and ending
4 June 30, 1994, to the joint appropriations
5 subcommittee on agriculture and natural resources by
6 January 15, 1993.

7 Sec. ____ . DEPARTMENTAL STUDY. The department of
8 agriculture and land stewardship shall conduct a study
9 regarding animals in commercial establishments,
10 including but not limited to, minimum standards of
11 care; the regulation, certification, and licensing of
12 persons under chapter 162; the sale of the animals;
13 and protections for consumers purchasing the animals.
14 The department shall submit a report to the general
15 assembly by January 15, 1993. The report shall
16 contain findings of the study and recommendations for
17 legislative action."

18 26. Page 16, by striking lines 20 through 26.

19 27. Page 18, line 3, by striking the word
20 "division" and inserting the following: "division
21 department".

22 28. By striking page 21, line 31 through page 22,
23 line 2.

24 29. Page 22, by inserting after line 4 the
25 following:

26 "Sec. ____ . Section 455A.7, subsection 1, paragraph
27 j, Code Supplement 1991, is amended to read as
28 follows:

29 j. Office of the director which has
30 responsibilities for administering the department,
31 including information dissemination, education, and
32 government liaison services."

33 30. Page 22, by striking lines 5 through 33 and
34 inserting the following:

35 "Sec. ____ . Section 455B.173, subsection 3,
36 unnumbered paragraph 3, Code Supplement 1991, is
37 amended by striking the paragraph."

38 31. Page 23, by inserting after line 24 the
39 following:

40 "Sec. ____ . NEW SECTION. 668B.1 LIABILITY OF
41 PERSON ENGAGING IN THE ACTIVITY OF GOLFING.

42 A participant engaging in the activity of golfing
43 is presumed to have assumed the risk of any injury
44 resulting from the participant's own acts or the acts
45 of another participant which are directly related to
46 the normal golfing activity and which occur on or near
47 the golf course. A participant unintentionally
48 causing an injury as a result of that participant's
49 golfing activity is not liable unless the injury is
50 the result of the willful or reckless behavior of the

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1 participant. A person providing the premises where
2 participants engage in the activity of golfing is not
3 liable for an injury which occurs as the result of
4 normal golfing activity unless the person knew or
5 should have known that there was a condition on the
6 premises which involved an unreasonable risk of injury
7 to any participant.

8 For purposes of this section "participant" includes
9 the individual engaging in the activity of golf and
10 any other individual who enters the premises where
11 such activity occurs."

12 32. By numbering, lettering, renumbering,
13 relettering, and correcting internal references as
14 necessary.

By COMMITTEE ON APPROPRIATIONS
JOCHUM of Dubuque, Chairperson

H-5752 FILED APRIL 6, 1992

A. Adopted as amended by 5382 & 5892 4/14 (of 1343)
B. Public not opinion, Public suspended
Adopted 4/16 (of 1344)

SENATE FILE 2347

H-5826

1 Amend the amendment, H-5752, to Senate File 2347,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- 4 1. Page 2, by striking lines 15 through 17.
- 5 2. By renumbering as necessary.

By KISTLER of Jefferson

H-5826 FILED APRIL 9, 1992

Last 4/14 (p. 1342)

SENATE FILE 2347

H-5830

1 Amend the amendment, H-5752, to Senate File 2347,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- 4 1. Page 1, by striking lines 44 through 46.
- 5 2. By renumbering as necessary.

By BENNETT of Ida

H-5830 FILED APRIL 9, 1992

Last 4/14 (p. 1340)

SENATE FILE 2347

H-5851

1 Amend the amendment, H-5752, to Senate File 2347,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- 4 1. Page 1, line 13, by striking the figure
5 "4,900,784" and inserting the following: "4,670,784".
- 6 2. Page 1, by striking lines 14 and 15 and
7 inserting the following:

8 "_____. Page 3, by striking lines 26 through 28 and
9 inserting the following:

10 "Each soil conservation district may charge fees
11 for providing services to landowners which are not
12 related to establishing mandatory soil and water
13 conservation practices. The total amount of fees that
14 may be charged by a district for the fiscal year
15 beginning July 1, 1992, and ending June 30, 1993,
16 shall not exceed \$2,300. The money shall be used to
17 reimburse commissioners of each district for
18 administrative expenses. Moneys".

19 _____. Page 3, lines 30 and 31 by striking the
20 words "soil conservation division" and inserting the
21 following: "fees raised under this paragraph".

22 3. Page 4, by inserting after line 11, the
23 following:

24 "_____. Title page, line 2, by striking the words
25 "and statutory" and inserting the following: ",
26 providing for fees, providing statutory".

By DIEMER of Black Hawk

H-5851 FILED APRIL 9, 1992

Last 4/13/92 (p. 1330)

SENATE FILE 2347

H-5767

1 Amend the amendment, H-5752, to Senate File 2347,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- 4 1. Page 1, line 46, by striking the figure "35"
- 5 and inserting the following: "27".
- 6 2. By renumbering as necessary.

By HARBOR of Mills

H-5767 FILED APRIL 7, 1992

Loss 4/14 (p. 1341)

SENATE FILE 2347

H-5785

1 Amend the amendment, H-5752, to Senate File 2347,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- 4 1. By striking page 1, line 47, through page 2,
5 line 12.
- 6 2. By striking page 3, line 38, through page 4,
7 line 11.

By HANSEN of Woodbury

H-5785 FILED APRIL 7, 1992

H/12 4/14 (p. 1342)

SENATE FILE 2347

H-5801

1 Amend Senate File 2347, as amended, passed, and
2 reprinted by the Senate, as follows:

- 3 1. Page 15, by inserting after line 12 the
4 following:

5 "Sec. ____ . FEASIBILITY STUDY. The department of
6 natural resources shall coordinate a feasibility study
7 of the creation of an artificial recreational lake
8 located at the clear creek watershed near Rhodes in
9 Marshall county. The civil and construction
10 engineering department of Iowa state university shall
11 assist the department in the collection and evaluation
12 of pertinent technical data. The department shall
13 report its findings to the natural resource commission
14 and the general assembly on or before January 1,
15 1994."

- 16 2. By renumbering sections as necessary.

By BLACK of Jasper
SHOULTZ of Black Hawk
HAMMOND of Story

H-5801 FILED APRIL 7, 1992

Adopted 4/14 (p. 1365)

SENATE FILE 2347

H-5879

- 1 Amend Senate File 2347, as amended, passed, and re-
- 2 printed by the Senate, as follows:
- 3 1. By striking page 13, line 31 through page 14,
- 4 line 4.
- 5 2. By renumbering as necessary.

By JOCHUM of Dubuque

H-5879 FILED APRIL 13, 1992

Adopted 4/14 (p. 1364)

SENATE FILE 2347

H-5882

- 1 Amend amendment, H-5752, to Senate File 2347, as
- 2 amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 3, by striking lines 33 through 37 and
- 5 inserting the following:
- 6 " Page 22, by striking lines 5 through 33."
- 7 2. By renumbering as necessary.

By SHOULTZ of Black Hawk

H-5882 FILED APRIL 13, 1992

Adopted 4/14 (p. 1343)

SENATE FILE 2347

H-5886

- 1 Amend the amendment, H-5752, to Senate File 2347,
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, by striking lines 23 and 24.
- 5 2. Page 2, line 17, by striking the figure
- 6 "11,500,000" and inserting the following:
- 7 "11,100,000".

By SPENNER of Henry
PETERSEN of Muscatine

H-5886 FILED APRIL 13, 1992

4/2 4/14 (p. 1340)

SENATE FILE 2347

H-5883

1 Amend Senate File 2347, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 2, line 29, by striking the figure
4 "3,407,044" and inserting the following: "3,607,044".

5 2. Page 2, by inserting after line 30, the
6 following:

7 "Of the amount appropriated to the regulatory
8 division under this paragraph "a", \$1,350,000 and
9 35.00 FTEs shall be allocated to the grain warehouse
10 bureau."

11 3. Page 21, by inserting after line 10, the
12 following:

13 "Sec. _____. Section 214.3, subsection 1, Code 1991,
14 is amended to read as follows:

15 1. The license for inspection of a commercial
16 weighing and measuring device shall expire on December
17 31 of each year, and for a motor vehicle fuel pump on
18 June 30 of each year. The amount of the fee due for
19 each license shall be as provided in subsection 3,
20 except that the fee for a motor vehicle fuel pump
21 shall be three four dollars and fifty cents if paid
22 within one month from the date the license is due.

23 Sec. _____. Section 214.3, subsection 3, paragraphs
24 a through e, Code 1991, are amended to read as
25 follows:

26 a. Class S-IIIL.

27 (1) Railroad track scales, seventy-one one hundred
28 six dollars and fifty cents.

29 (2) Other scales.

30 (a) 500 to 1,000 pounds capacity, eleven sixteen
31 dollars and fifty cents.

32 (b) 1,001 to 30,000 pounds capacity, twenty-one
33 thirty-one dollars and fifty cents.

34 (c) 30,001 to 50,000 pounds capacity, forty-one
35 sixty-one dollars and fifty cents.

36 (d) 50,001 pounds capacity or more, fifty-six
37 eighty-four dollars.

38 (3) A minimum fee of thirty-one forty-six dollars
39 and fifty cents shall be charged for each vehicle or
40 livestock scale.

41 b. Class S-II and S-III, six nine dollars.

42 (1) Bench scale, six nine dollars.

43 (2) Counter scale, six nine dollars.

44 (3) Portable platform scale, six nine dollars.

45 (4) Livestock monorail scale, six nine dollars.

46 (5) Single animal scale, six nine dollars.

47 (6) Grain test scale, six nine dollars.

48 (7) Precious metal and gems scale, six nine
49 dollars.

50 (8) Postal scale, six nine dollars.

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1 c. (1) Grain moisture meters, sixteen twenty-four
2 dollars.

3 (2) Additional meters at the same location, eleven
4 sixteen dollars and fifty cents.

5 d. Class M-1. One hundred-gallon prover.

6 (1) Bulk meters, six nine dollars.

7 (2) Bulk liquid petroleum gas meters, thirty-five
8 fifty-two dollars and fifty cents.

9 (3) Bulk refined fuel meters, six nine dollars.

10 (4) Mass flow meters, six nine dollars.

11 e. Class M-II. Five-gallon prover.

12 (1) Slow flow meters, six nine dollars.

13 (2) Retail motor vehicle fuel pump, six nine
14 dollars.

15 Sec. ____ . Section 215.2, subsections 1 and 2, Code
16 1991, are amended to read as follows:

17 1. Class S, scales, fifty seventy-five dollars per
18 hour.

19 2. Class M, meters, thirty-five fifty-two dollars
20 and fifty cents per hour.

21 Sec. ____ . Section 215.17, Code 1991, is amended to
22 read as follows:

23 215.17 TEST WEIGHTS TO BE USED.

24 Any ~~A~~ person, ~~firm or corporation~~ engaged in scale
25 repair work for hire shall use only test weights
26 sealed by the department in determining the
27 effectiveness of repair work and ~~said~~ the test weights
28 shall be sealed as to their accuracy once each year.

29 ~~Provided, however, that it shall be unlawful for such~~
30 ~~However, a person to shall not claim to be an official~~
31 ~~scale inspector or to and shall not use said the test~~
32 ~~weights except to determine the accuracy of scale~~
33 ~~repair work done by the person and the person shall~~
34 ~~not be entitled to no a fee for their use. A fee~~
35 ~~shall be charged and collected at time of inspection~~
36 ~~for the inspection of such weights as follows:~~

37 All weights up to and including 25 pounds ... \$ ~~75~~ 1.10 each
38 ~~All weights~~

39 Over twenty-five pounds capacity,
40 up to and including 50 pounds ~~1-50~~ 2.25 each

41 Over 50 pounds capacity, up to and
42 including 100 pounds ~~2-00~~ 3.00 each

43 Over 100 pounds capacity, up to
44 and including 500 pounds ~~3-00~~ 4.50 each

45 Over 500 pounds capacity, up to
46 and including 1,000 pounds ~~5-00~~ 7.50 each

47 The fee for all tank calibrations shall be as
48 follows:

49 100 gallons up to and including 300

50 gallons \$ ~~3-00~~ 4.50

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1	301 gallons up to and including 500	
2	gallons	5-00 <u>7.50</u>
3	501 gallons up to and including 1,000	
4	gallons	7-50 <u>11.25</u>
5	1,001 gallons up to and including 2,000	
6	gallons	10-00 <u>15.00</u>
7	2,001 gallons up to and including 3,000	
8	gallons	12-00 <u>18.00</u>
9	3,001 gallons up to and including 4,000	
10	gallons	14-00 <u>21.00</u>
11	4,001 gallons up to and including 5,000	
12	gallons	16-00 <u>24.00</u>
13	5,001 gallons up to and including 6,000	
14	gallons	18-00 <u>27.00</u>
15	6,001 gallons up to and including 7,000	
16	gallons	20-00 <u>30.00</u>
17	7,001 gallons and up	25-00 <u>37.50</u>

18 ~~No-calibration-will~~ Calibration shall not be
 19 required of any a tank which is not used for the
 20 purpose of measuring, or which is equipped with a
 21 meter, nor shall and vehicle tanks loaded from meters
 22 and carrying a printed ticket showing gallonage shall
 23 not be required to be calibrated.

24 Sec. ____. Section 215A.9, unnumbered paragraph 2,
 25 Code 1991, is amended to read as follows:

26 A fee of ~~ten~~ fifteen dollars shall be charged for
 27 each device subject to reinspection under section
 28 215A.5. All moneys received by the department under
 29 the provisions of this chapter shall be handled in the
 30 same manner as "repayment receipts" as defined in
 31 chapter 8, and shall be used for the administration
 32 and enforcement of the provisions of this chapter."

33 4. Page 22, by inserting before line 34, the
 34 following:

35 "Sec. ____. Section 542.1, Code 1991, is amended by
 36 adding the following new subsection:

37 NEW SUBSECTION. 10. "Good cause" means that the
 38 department has cause to believe that the net worth or
 39 current asset to current liability ratio of a grain
 40 dealer presents a danger to sellers with whom the
 41 grain dealer does business, based on evidence of any
 42 of the following:

43 a. The making of a payment by use of a financial
 44 instrument which is a check, share draft, draft, or
 45 written order on a financial institution, and a
 46 financial institution refuses payment on the
 47 instrument because of insufficient funds in a grain
 48 dealer's account.

49 b. A violation of recordkeeping requirements
 50 provided in this chapter or rules adopted pursuant to

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1 this chapter by the department.

2 c. A substantial risk of loss to the grain
3 depositors and sellers indemnity fund caused by the
4 possible insolvency of the grain dealer based on a
5 statistical model provided in section 542.22.

6 Sec. _____. Section 542.3, subsection 4, paragraph
7 b, Code 1991, is amended to read as follows:

8 b. The grain dealer shall submit, as required by
9 the department, a financial statement that is
10 accompanied by an unqualified opinion based upon an
11 audit performed by a certified public accountant
12 licensed in this state. However, the department may
13 accept a qualification in an opinion that is
14 unavoidable by any audit procedure that is permitted
15 under generally accepted accounting principles. An
16 opinion that is qualified because of a limited audit
17 procedure or because the scope of an audit is limited
18 shall not be accepted by the department. The
19 department shall not require that a grain dealer
20 submit more than one such unqualified opinion per
21 year. The grain dealer, except as provided in section
22 542.15, may elect, ~~however,~~ to submit a financial
23 statement that is accompanied by the report of a
24 certified public accountant licensed in this state
25 that is based upon a review performed by the certified
26 public accountant in lieu of the audited financial
27 statement specified in this paragraph. However, at
28 any time the department may require a financial
29 statement that is accompanied by the report of a
30 certified public accountant licensed in this state
31 that is based upon a review performed by a certified
32 public accountant if the department has good cause to
33 ~~believe that the net worth or current asset to current~~
34 ~~liability ratio of a licensee presents a danger to~~
35 ~~producers or sellers with whom the licensee deals.~~
36 ~~"Good cause" means that the department has evidence~~
37 ~~that the licensee issued checks on insufficient funds,~~
38 ~~evidence of a quality or quantity shortage in a~~
39 ~~warehouse facility, or evidence of violations of~~
40 ~~recordkeeping requirements. If a grain dealer making~~
41 ~~the election engages in credit sale contracts, the~~
42 ~~grain dealer shall also comply with the provisions of~~
43 ~~section 542.15, subsection 8.~~

44 Sec. _____. Section 542.3, subsection 5, paragraph
45 b, Code 1991, is amended to read as follows:

46 b. The grain dealer shall submit, as required by
47 the department, a financial statement that is
48 accompanied by an unqualified opinion based upon an
49 audit performed by a certified public accountant
50 licensed in this state. However, the department may

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1 accept a qualification in an opinion that is
2 unavoidable by any audit procedure that is permitted
3 under generally accepted accounting principles. An
4 opinion that is qualified because of a limited audit
5 procedure or because the scope of an audit is limited
6 shall not be accepted by the department. The
7 department shall not require that a grain dealer
8 submit more than one such unqualified opinion per
9 year. The grain dealer may elect, however, to submit
10 a financial statement that is accompanied by the
11 report of a certified public accountant licensed in
12 this state that is based upon a review performed by
13 the certified public accountant in lieu of the audited
14 financial statement specified in this paragraph.
15 However, at any time the department may require a
16 financial statement that is accompanied by the report
17 of a certified public accountant licensed in this
18 state that is based upon a review performed by a
19 certified public accountant if the department has good
20 cause to believe that the net worth or current asset
21 to current liability ratio of a licensee presents a
22 danger to producers or sellers with whom the licensee
23 deals. "Good cause" means that the department has
24 evidence that the licensee issued checks on
25 insufficient funds, evidence of a quality or quantity
26 shortage in a warehouse facility, or evidence of
27 violations of recordkeeping requirements. -- If a grain
28 dealer making the election engages in credit sale
29 contracts, the grain dealer shall also comply with the
30 provisions of section 542.5, subsection 8.

31 Sec. _____. Section 542.5, unnumbered paragraph 1,
32 Code 1991, is amended to read as follows:

33 Upon the filing of the application and compliance
34 with the terms and conditions of this chapter and
35 rules of the department, the department shall issue a
36 license to the applicant. The license shall terminate
37 on at the thirtieth of June of each year end of the
38 third calendar month following the close of the grain
39 dealer's fiscal year. A grain dealer's license may be
40 renewed annually by the filing of a renewal fee and a
41 renewal application on a form prescribed by the
42 department. An application for renewal shall be
43 received by the department on or before the thirtieth
44 of June end of the third calendar month following the
45 close of the grain dealer's fiscal year. A grain
46 dealer license which has terminated may be reinstated
47 by the department upon receipt of a proper renewal
48 application, the renewal fee, and the reinstatement
49 fee as provided in section 542.6 if filed within
50 thirty days from the date of termination of the grain

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1 dealer license. The department may cancel a license
2 upon request of the licensee unless a complaint or
3 information is filed against the licensee alleging a
4 violation of a provision of this chapter. Fees for
5 licenses issued for less than a full year shall be
6 prorated from the date of the application.

7 Sec. _____. Section 542.6, subsection 1, Code 1991,
8 is amended to read as follows:

9 1. For the issuance or renewal of a license ~~for a~~
10 ~~grain-dealer~~ required under section 542.3, and for any
11 inspection of a grain dealer, the fee shall be
12 determined on the basis of ~~dollar-volume-of~~ all
13 bushels of grain purchased during the grain dealer's
14 previous calendar fiscal year as follows according to
15 the grain dealer's financial statement required in
16 section 542.3. The fee shall be calculated according
17 to the following schedule:

18 a. If the total number of bushels purchased is one
19 hundred thirty-five thousand dollars or less, the
20 license fee is forty eight-seven dollars and the
21 inspection fee is fifty one hundred nine dollars.

22 b. If the total number of bushels purchased is
23 more than one-hundred thirty-five thousand dollars,
24 but not more than seven two hundred fifty thousand
25 dollars, the license fee is seventy one hundred fifty-
26 two dollars and the inspection fee is seventy-five one
27 hundred sixty-three dollars.

28 c. If the total number of bushels purchased is
29 more than seven two hundred fifty thousand dollars,
30 but not more than one-million five hundred thousand
31 dollars, the license fee is one two hundred seventeen
32 dollars and the inspection fee is one two hundred
33 fifteen fifty dollars.

34 d. If the total number of bushels purchased is
35 more than one-million five hundred thousand dollars,
36 but not more than three one million dollars, the
37 license fee is one three hundred seventy-five eighty
38 dollars and the inspection fee is one three hundred
39 fifty twenty-five dollars.

40 e. If the total number of bushels purchased is
41 more than three one million dollars, but not more than
42 four one million seven eight hundred fifty thousand
43 dollars, the license fee is three six hundred fifty-
44 one dollars and the inspection fee is one four hundred
45 eighty-five one dollars.

46 f. If the total number of bushels purchased is
47 more than four one million seven eight hundred fifty
48 thousand dollars, but not more than nine three million
49 five two hundred thousand dollars, the license fee is
50 four five hundred twenty-five twenty-two dollars and

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1 the inspection fee is two four hundred twenty-five
2 eighty-eight dollars.

3 g. If the total number of bushels purchased is
4 more than nine three million five two hundred thousand
5 dollars, the license fee is five one thousand two
6 hundred seventy-five forty-eight dollars and the
7 inspection fee is two five hundred sixty-five seventy-
8 five dollars.

9 If the applicant did not purchase grain in the
10 applicant's previous calendar fiscal year, the
11 applicant ~~will~~ shall pay the fee specified in
12 paragraph "a". If during the license-period
13 licensee's fiscal year the total number of bushels of
14 grain actually purchased exceeds one-hundred thirty-
15 five thousand dollars, the licensee shall notify the
16 department and the license and inspection fee shall be
17 adjusted accordingly. Subsequent adjustments shall be
18 made as necessary. An applicant may elect licensing
19 in any category of this subsection. New Fees for new
20 licenses issued for less than a full year shall be
21 prorated from the date of application.

22 Sec. ____ . Section 542.9, unnumbered paragraph 1,
23 Code 1991, is amended to read as follows:

24 The department may inspect the premises used by any
25 grain dealer in the conduct of the dealer's business
26 at any time, and the books, accounts, records, and
27 papers of every grain dealer which pertain to grain
28 purchases are subject to inspection by the department
29 during ordinary business hours. The department shall
30 cause the business premises and books, accounts,
31 records, and papers of every grain dealer to be
32 inspected not-less-than at least once during each
33 twelve-month eighteen-month period, but-not-more-than
34 four-times-in-a-twenty-four-month-period without good
35 cause justification. The department shall prioritize
36 inspections based on the system provided in section
37 542.22. The department may use a risk rating produced
38 by a statistical model provided in section 542.22 as
39 justification to conduct an inspection. The
40 transporter of grain in transit shall possess bills of
41 lading or other documents covering the grain, and
42 shall present them to any law enforcement officer or
43 to a person designated as an enforcement officer under
44 section 542.13 on demand. If there is good-cause
45 justification to believe that a person is engaged
46 without a license in the business of a grain dealer in
47 this state, the department may inspect the books,
48 papers, and records of the person which pertain to
49 grain purchases.

50 Sec. ____ . Section 542.11, subsection 4, Code 1991,

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1 is amended to read as follows:

2 4. A person in violation of this chapter, or a in
3 violation of chapter 714 or 715A involving, which
4 violation involves the business of a grain dealer, is
5 subject to prosecution by the county attorney in the
6 county where the business is located. However, if the
7 county attorney fails to initiate prosecution within
8 thirty days and upon request by the department, the
9 attorney general may initiate and carry out the
10 prosecution in cooperation, if possible, with the
11 county attorney. The person in violation may be
12 restrained by an injunction in an action brought by
13 the department or the attorney general upon request of
14 the department.

15 Sec. . . . NEW SECTION. 542.12A LIEN ON GRAIN
16 DEALER ASSETS.

17 1. A statutory lien is imposed on all grain dealer
18 assets in favor of sellers who have surrendered
19 warehouse receipts or other written evidence of
20 ownership as part of a grain sale transaction or who
21 possess written evidence of the sale of grain to a
22 grain dealer, without receiving full payment for the
23 grain.

24 2. "Grain dealer assets" includes proceeds
25 received or due a grain dealer upon the sale,
26 including exchange, collection, or other disposition,
27 of grain sold by the grain dealer. As used in this
28 section, "proceeds" means noncash and cash proceeds as
29 provided in section 554.9306. "Grain dealer assets"
30 also includes any other funds or property of the grain
31 dealer which can be directly traced as being from the
32 sale of grain by the grain dealer, or which were
33 utilized in the business operation of the grain
34 dealer. A court, upon petition by an affected party,
35 may order that claimed grain dealer assets are not
36 grain dealer assets as defined in this section. The
37 burden of proof shall be upon the petitioner to
38 establish that the assets are not grain dealer assets
39 as defined in this section.

40 3. The lien shall arise at the time of surrender
41 of warehouse receipts or other written evidence of
42 ownership as part of a grain sale transaction or the
43 time of delivery of the grain for sale, and shall
44 terminate when the liability of the grain dealer to
45 the seller has been discharged. The lien of all
46 sellers is hereby assigned to the Iowa grain indemnity
47 fund board, on behalf of the grain depositors and
48 sellers indemnity fund.

49 4. To perfect the lien, the Iowa grain indemnity
50 fund board must file a lien statement with the office

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1 of the secretary of state. The lien statement is
2 valid only if filed on or after the date of suspension
3 but not later than sixty days after the incurrence
4 date as provided in section 543A.6. The lien
5 statement shall disclose the name of the grain dealer,
6 the address of the dealer's principal place of
7 business, a description of identifiable grain dealer
8 assets, and the amount of the lien. The lien amount
9 shall be the board's estimate of the final cost of
10 reimbursing the grain depositors and sellers indemnity
11 fund for the payment of claims against the fund
12 resulting from the breach of the grain dealer's
13 obligations. The board shall correct the amount not
14 later than one hundred eighty days following the
15 incurrence date. A court, upon petition by an
16 affected person, may correct the amount. The board
17 shall have the burden of proving that the amount is an
18 accurate estimate.

19 5. The Iowa grain indemnity fund board shall upon
20 written demand of the grain dealer file a termination
21 statement with the secretary of state, if the license
22 of the grain dealer is not revoked, terminated, or
23 canceled after one hundred eighty days from the date
24 that the lien is perfected. Upon filing the
25 termination statement, the lien becomes unperfected.
26 The board shall also deliver a copy of the termination
27 statement to the grain dealer.

28 6. The secretary of state shall note the filing of
29 a lien statement under this section in a manner
30 provided by chapter 554, the uniform commercial code.
31 The secretary shall note the filing of a termination
32 statement with the lien statement.

33 7. A lien perfected under this section is superior
34 to an interest which is perfected subsequent to the
35 time the lien statement is filed with the secretary of
36 state, except liens arising under chapters 570 through
37 571.

38 8. If the grain dealer is also licensed under
39 chapter 543, and in the event the department is
40 appointed as a receiver under section 543.3, assets
41 under the authority of the receiver are free from this
42 statutory lien. However, if there are receivership
43 assets in excess of those necessary to fully reimburse
44 depositors, the perfected lien will attach to those
45 excess assets.

46 9. The board may enforce the lien in the manner
47 provided in chapter 554, article 9, part 5, for the
48 enforcement of security interests. If, upon
49 enforcement of the lien, the lien amount is satisfied
50 in full without exhaustion of the grain dealer assets,

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1 the remaining assets shall be returned to the grain
2 dealer or, if there are competing claims to those
3 remaining assets by other creditors, shall place those
4 assets in the custody of the district court and
5 implead the known creditors.

6 For purposes of enforcement of the lien, the board
7 is deemed to be the secured party and the grain dealer
8 is deemed to be the debtor, and each has the
9 respective rights and duties of a secured party and a
10 debtor as provided in chapter 554, article 9, part 5.
11 If a right or duty under chapter 554, article 9, part
12 5, is contingent upon the existence of express
13 language in a security agreement, or may be waived by
14 express language in a security agreement, the
15 requisite language is deemed not to exist for purposes
16 of enforcement of the lien created by this section.

17 10. Actions relating to this section shall be
18 brought in the district court in the county in which
19 the grain dealer's primary place of business is
20 located or in Polk county.

21 Sec. ____ . Section 542.15, subsection 7, Code 1991,
22 is amended by striking the subsection and inserting in
23 lieu thereof the following:

24 7. a. A grain dealer shall not purchase grain on
25 credit-sale contract during any time period in which
26 the grain dealer fails to maintain fifty cents of net
27 worth for each outstanding bushel of grain purchased
28 under credit. The grain dealer may maintain a
29 deficiency bond or an irrevocable letter of credit in
30 the amount of two thousand dollars for each one
31 thousand dollars or fraction thereof of deficiency in
32 net worth.

33 b. A grain dealer holding a federal or state
34 warehouse license who does not have a sufficient
35 quantity or quality of grain to satisfy the warehouse
36 operator's obligations based on an examination by the
37 department or the United States department of
38 agriculture shall not purchase grain on credit-sale
39 contract to correct the shortage of grain.

40 c. A grain dealer must meet at least one of the
41 following conditions:

42 (1) The grain dealer's last financial statement
43 required to be submitted to the department pursuant to
44 section 542.3 is accompanied by an unqualified opinion
45 based upon an audit performed by a certified public
46 accountant licensed in this state.

47 (2) The grain dealer files a bond with the
48 department in the amount of one hundred thousand
49 dollars payable to the department. The bond shall be
50 used to indemnify sellers for losses resulting from a

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1 breach of a credit-sale contract as provided by rules
2 adopted by the department. The rules shall include,
3 but are not limited to, procedures and criteria for
4 providing notice, filing claims, valuing losses, and
5 paying claims. The bond provided in this paragraph
6 shall be in addition to any other bond required in
7 this chapter.

8 A bond filed with the department under this
9 paragraph shall not be canceled by the issuer on less
10 than ninety days notice by certified mail to the
11 department and the principal. When the department
12 receives notice from an issuer that it has canceled
13 the bond, the department shall automatically suspend
14 the grain dealer's license if a replacement bond is
15 not received by the department within sixty days of
16 the issuance of the notice of cancellation. The
17 department shall cause an inspection of the licensed
18 grain dealer immediately at the end of the sixty-day
19 period. If a replacement bond is not filed within
20 another thirty days following the suspension, the
21 grain dealer license shall be automatically revoked.
22 When a license is revoked, the department shall
23 provide notice of the revocation by ordinary mail to
24 the last known address of each holder of an
25 outstanding credit-sale contract and all known
26 sellers.

27 Sec. ____ . Section 542.15, Code 1991, is amended by
28 adding the following new subsection:

29 NEW SUBSECTION. 7A. The department may adopt
30 rules to suspend the right of a grain dealer to
31 purchase grain by credit-sale contract based on any of
32 the following conditions:

33 a. The grain dealer holding a federal or state
34 warehouse license does not have a sufficient quantity
35 or quality of grain to satisfy the warehouse
36 operator's obligations based on an examination by the
37 department or the United States department of
38 agriculture.

39 b. The grain dealer holding a state or federal
40 warehouse license issues back to the grain dealer a
41 warehouse receipt for purposes of providing
42 collateral, if the grain which is the subject of the
43 warehouse receipt was purchased on credit and is
44 unpaid for by the grain dealer.

45 c. The grain dealer fails to maintain requirements
46 relating to net worth or fails to maintain a ratio of
47 current assets to current liabilities, as required in
48 section 542.3.

49 d. The grain dealer violates this section.

50 e. The grain dealer's total liabilities are

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1 greater than seventy-five percent of the grain
2 dealer's total assets.

3 f. The grain dealer has made payment by use of a
4 financial instrument which is a check, share draft,
5 draft, or written order on a financial institution,
6 and a financial institution refuses payment on the
7 instrument because of insufficient funds in a grain
8 dealer's account.

9 g. The department discovers that a grain dealer
10 has delayed payment for grain purchased since the
11 department last inspected the grain dealer pursuant to
12 section 542.9.

13 Sec. ____ . NEW SECTION. 542.22 PRIORITIZATION OF
14 INSPECTIONS OF GRAIN DEALERS.

15 The department shall develop a system to prioritize
16 the inspections of grain dealers provided in section
17 542.9. The system of prioritization shall be computed
18 each year based on the risk of loss to the grain
19 depositors and sellers indemnity fund caused by the
20 possible insolvency of the grain dealer. The
21 department shall compute the risk by utilizing an
22 available statistical model to measure the financial
23 condition of grain dealers, and especially grain
24 dealers who execute credit-sale contracts. Procedures
25 for utilizing the statistical model shall be adopted
26 by department rules. The statistical model shall be
27 used to provide risk ratings. A risk rating shall be
28 used as a factor by the department to prioritize its
29 inspection schedule. The department may use a risk
30 rating produced by the statistical model as
31 justification to inspect the grain dealer at any time.
32 A substantial risk of loss to the grain depositors and
33 sellers indemnity fund caused by the possible
34 insolvency of the grain dealer based on the
35 statistical model shall be good cause.

36 Sec. ____ . Section 543.1, Code 1991, is amended by
37 adding the following new subsection:

38 NEW SUBSECTION. 7A. "Good cause" means that the
39 department has cause to believe that the net worth or
40 current asset to current liability ratio of a
41 warehouse operator presents a danger to depositors
42 with whom the warehouse operator does business, based
43 on evidence of any of the following:

44 a. The making of a payment by use of a financial
45 instrument which is a check, share draft, draft, or
46 written order on a financial institution, and a
47 financial institution refuses payment on the
48 instrument because of insufficient funds in the
49 warehouse operator's account.

50 b. A violation of recordkeeping requirements

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1 provided in this chapter or rules adopted pursuant to
2 this chapter by the department.

3 c. A quality or quantity shortage in the warehouse
4 facility.

5 d. A high risk of loss to the grain depositors and
6 sellers indemnity fund caused by the possible
7 insolvency of the warehouse operator based on a
8 statistical model provided in section 543.40.

9 Sec. _____. Section 543.2, unnumbered paragraph 1,
10 Code 1991, is amended to read as follows:

11 The department may exercise general supervision
12 over the storage, warehousing, classifying according
13 to grade or otherwise, weighing, and certification of
14 agricultural products. The department may inspect or
15 cause to be inspected any warehouse. Inspections may
16 be made at times and for purposes as the department
17 determines. Except as provided in section 543.6, the
18 department shall cause every licensed warehouse and
19 its contents to be inspected once in every twelve-
20 month period. The department shall prioritize
21 inspections based on the system provided in section
22 543.40. The department may require the filing of
23 reports relating to a warehouse or its operation. If
24 upon inspection a deficiency is found to exist as to
25 the quantity or quality of agricultural products
26 stored, as indicated on the warehouse operator's books
27 and records according to official grain standards, the
28 department may require an employee of the department
29 to remain at the licensed warehouse and supervise all
30 operations involving agricultural products stored
31 there under this chapter until the deficiency is
32 corrected. The charge for the cost of maintaining an
33 employee of the department at a warehouse to supervise
34 the correction of a deficiency is one hundred fifty
35 dollars per day."

36 5. Page 23, by striking lines 13 through 24.

37 6. Page 23, by inserting before line 25, the
38 following:

39 "Sec. _____. Section 543.6, subsection 4, paragraph
40 b, Code 1991, is amended to read as follows:

41 b. The warehouse operator shall submit, as
42 required by the department, a financial statement that
43 is accompanied by an unqualified opinion based upon an
44 audit performed by a certified public accountant
45 licensed in this state. However, the department may
46 accept a qualification in an opinion that is
47 unavoidable by any audit procedure that is permitted
48 under generally accepted accounting principles. An
49 opinion that is qualified because of a limited audit
50 procedure or because the scope of an audit is limited

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1 shall not be accepted by the department. The
2 department shall not require that a warehouse operator
3 submit more than one such unqualified opinion per
4 year. The warehouse operator may elect, however, to
5 submit a financial statement that is accompanied by
6 the report of a certified public accountant licensed
7 in this state that is based upon a review performed by
8 the certified public accountant in lieu of the audited
9 financial statement specified in this paragraph.

10 However, at any time the department may require a
11 financial statement that is accompanied by the report
12 of a certified public accountant licensed in this
13 state that is based upon a review performed by a
14 certified public accountant if the department has good
15 cause to believe that the net worth or current asset
16 to current liability ratio of a licensee presents a
17 danger to producers or sellers with whom the licensee
18 deals. "Good cause" means that the department has
19 evidence that the licensee issued checks on
20 insufficient funds; evidence of a quality or quantity
21 shortage in a warehouse facility; or evidence of
22 violations of recordkeeping requirements.

23 Sec. ____ . Section 543.6, subsection 5, paragraph
24 b, Code 1991, is amended to read as follows:

25 b. The warehouse operator shall submit, as
26 required by the department, a financial statement that
27 is accompanied by an unqualified opinion based upon an
28 audit performed by a certified public accountant
29 licensed in this state. However, the department may
30 accept a qualification in an opinion that is
31 unavoidable by any audit procedure that is permitted
32 under generally accepted accounting principles. An
33 opinion that is qualified because of a limited audit
34 procedure or because the scope of an audit is limited
35 shall not be accepted by the department. The
36 department shall not require that a warehouse operator
37 submit more than one such unqualified opinion per
38 year. The warehouse operator may elect, however, to
39 submit a financial statement that is accompanied by
40 the report of a certified public accountant licensed
41 in this state that is based upon a review performed by
42 the certified public accountant in lieu of the audited
43 financial statement specified in this paragraph.

44 However, at any time the department may require a
45 financial statement that is accompanied by the report
46 of a certified public accountant licensed in this
47 state that is based upon a review performed by a
48 certified public accountant if the department has good
49 cause to believe that the net worth or current asset
50 to current liability ratio of a licensee presents a

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~~1 danger-to-producers-or-sellers-with-whom-the-licensee~~
~~2 deals. "Good-cause"-means-that-the-department-has~~
~~3 evidence-that-the-licensee-issued-checks-on~~
~~4 insufficient-funds,-evidence-of-a-quality-or-quantity~~
~~5 shortage-in-a-warehouse-facility,-or-evidence-of~~
~~6 violations-of-recordkeeping-requirements.~~

7 Sec. . NEW SECTION. 543.12A LIEN ON WAREHOUSE
8 OPERATOR ASSETS.

9 1. A statutory lien is imposed on all warehouse
10 operator assets in favor of depositors possessing
11 warehouse receipts covering grain stored by the
12 warehouse operator and depositors with written
13 evidence of ownership other than warehouse receipts
14 disclosing a storage obligation of a warehouse
15 operator.

16 2. "Warehouse operator assets" includes proceeds
17 received or due a warehouse operator upon the sale,
18 including exchange, collection, or other disposition,
19 of grain sold by the warehouse operator. As used in
20 this section, "proceeds" means noncash and cash
21 proceeds as provided in section 554.9306. "Warehouse
22 operator assets" also includes storage payments
23 received or due to a warehouse operator, grain owned
24 by the warehouse operator, and any other funds or
25 property of the warehouse operator which can be
26 directly traced as being from the sale of grain by the
27 warehouse operator, or which were utilized in the
28 business operation of the warehouse operator. A
29 court, upon petition by an affected party, may order
30 that claimed warehouse operator assets are not
31 warehouse operator assets as defined in this section.
32 The burden of proof shall be upon the petitioner to
33 establish that the assets are not warehouse operator
34 assets as defined in this section.

35 3. The lien shall arise at the commencement of the
36 storage obligation, and shall terminate when the
37 liability of the warehouse operator to the depositor
38 has been discharged. The lien of all depositors is
39 hereby assigned to the Iowa grain indemnity fund
40 board, on behalf of the grain depositors and sellers
41 indemnity fund.

42 4. To perfect the lien, the Iowa grain indemnity
43 fund board must file a lien statement with the office
44 of the secretary of state. The lien statement is
45 valid only if filed on or after the date of suspension
46 but not later than sixty days after the incurrence
47 date as provided in section 543A.6. The lien
48 statement shall disclose the name of the warehouse
49 operator, the address of the warehouse operator's
50 principal place of business, a description of

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1 identifiable warehouse operator assets, and the amount
2 of the lien. The lien amount shall be the board's
3 estimate of the final cost of reimbursing the grain
4 depositors and sellers indemnity fund for the payment
5 of claims made against the fund resulting from the
6 breach of the warehouse operator's obligations. The
7 board shall correct the amount not later than one
8 hundred eighty days following the incurrence date. A
9 court, upon petition by an affected person, may
10 correct the amount. The board shall have the burden
11 of proving that the amount is an accurate estimate.

12 5. The Iowa grain indemnity fund board shall upon
13 written demand of the warehouse operator file a
14 termination statement with the secretary of state, if
15 the license of the warehouse operator is not revoked,
16 terminated, or canceled after one hundred eighty days
17 from the date that the lien is perfected. Upon filing
18 the termination statement, the lien becomes
19 unperfected. The board shall also deliver a copy of
20 the termination statement to the warehouse operator.

21 6. The secretary of state shall note the filing of
22 a lien statement under this section in a manner
23 provided by chapter 554, the uniform commercial code.
24 The secretary shall note the filing of a termination
25 statement with the lien statement.

26 7. A lien perfected under this section is superior
27 to a lien or security interest which attaches
28 subsequent to the time the lien statement is filed
29 with the secretary of state, except liens arising
30 under chapters 570 through 571.

31 8. In the event the department is appointed as a
32 receiver under section 543.3, assets under the
33 authority of the receiver are free from this statutory
34 lien. However, if there are receivership assets in
35 excess of those necessary to fully reimburse
36 depositors, the perfected lien will attach to those
37 excess assets.

38 9. The Iowa grain indemnity fund board may enforce
39 the lien in the manner provided in chapter 554,
40 article 9, part 5, for the enforcement of security
41 interests. If, upon enforcement of the lien, the lien
42 amount is satisfied in full without exhaustion of the
43 warehouse operator assets, the remaining assets shall
44 be returned to the warehouse operator or, if there are
45 competing claims to those remaining assets by other
46 creditors, those assets shall be placed in the custody
47 of the district court and the known creditors
48 impleaded.

49 For purposes of enforcement of the lien, the board
50 is deemed to be the secured party and the warehouse

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1 operator is deemed to be the debtor, and each has the
2 respective rights and duties of a secured party and a
3 debtor as provided in chapter 554, article 9, part 5.
4 If a right or duty under chapter 554, article 9, part
5 5, is contingent upon the existence of express
6 language in a security agreement, or may be waived by
7 express language in a security agreement, the
8 requisite language is deemed not to exist for purposes
9 of enforcement of the lien created by this section.

10 10. Actions relating to this section shall be
11 brought in the district court in the county in which
12 the warehouse operator's primary place of business is
13 located or in Polk county.

14 Sec. _____. Section 543.17, Code 1991, is amended by
15 adding the following new subsection:

16 NEW SUBSECTION. 6A. A licensed warehouse operator
17 who does not have a sufficient quantity or quality of
18 grain to satisfy the warehouse operator's obligations
19 based on an examination by the department shall not
20 purchase grain on credit-sale contract to correct the
21 shortage of grain. A licensed warehouse operator
22 shall not issue a warehouse receipt for purposes of
23 providing collateral, if the grain which is the
24 subject of the warehouse receipt was purchased by
25 credit-sale contract and is unpaid for by the
26 warehouse operator.

27 Sec. _____. Section 543.17, subsection 7, Code 1991,
28 is amended to read as follows:

29 7. Every licensed warehouse operator shall, on or
30 before July 1 of each year, send a statement for each
31 holder of a warehouse receipt covering grain held for
32 more than one year at that warehouse to the holder's
33 last known address. The statement shall show the
34 amount of all grain held pursuant to warehouse receipt
35 for such warehouse receipt holder and the amount of
36 any storage charges held by the licensed warehouse
37 operator against that grain. However, a licensed
38 warehouse operator need not prepare this annual
39 statement for a holder of a warehouse receipt, if the
40 licensed warehouse operator prepares such statements
41 monthly, quarterly or for any other period more
42 frequent than annually. ~~Failure~~ The failure to
43 prepare a statement required by this subsection is a
44 simple misdemeanor.

45 PARAGRAPH DIVIDED. Violation of this section shall
46 not constitute grounds for suspension, revocation, or
47 modification of the license of anyone licensed under
48 this chapter.

49 Sec. _____. Section 543.33, subsection 1, paragraphs
50 a through g, Code 1991, are amended to read as

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1 follows:

- 2 a. If the total storage capacity is one hundred
3 thousand bushels or less, the fee is thirty-five
4 seventy-six dollars.
- 5 b. If the total storage capacity is more than one
6 hundred thousand bushels, but not more than seven
7 hundred fifty thousand bushels, the fee is seventy-
8 five one hundred sixty-three dollars.
- 9 c. If the total storage capacity is more than
10 seven hundred fifty thousand bushels, but not more
11 than one million five hundred thousand bushels, the
12 fee is one two hundred fifteen fifty dollars.
- 13 d. If the total storage capacity is more than one
14 million five hundred thousand bushels, but not more
15 than three million bushels, the fee is one three
16 hundred fifty twenty-five dollars.
- 17 e. If the total storage capacity is more than
18 three million bushels, but not more than four million
19 seven hundred fifty thousand bushels, the fee is one
20 four hundred eighty-five one dollars.
- 21 f. If the total storage capacity is more than four
22 million seven hundred fifty thousand bushels, but not
23 more than nine million five hundred thousand bushels,
24 the fee is two four hundred twenty-five eighty-eight
25 dollars.
- 26 g. If the total storage capacity is more than nine
27 million five hundred thousand bushels, the fee is two
28 five hundred sixty-five seventy-five dollars.

29 Sec. ____ . Section 543.36, subsection 4, Code 1991,
30 is amended to read as follows:

31 4. A person in violation of this chapter, or a in
32 violation of chapter 714 or 715A involving, which
33 violation involves the business of a warehouse
34 operator, is subject to prosecution by the county
35 attorney in the county where the business is located.
36 However, if the county attorney fails to initiate
37 prosecution within thirty days, and upon request by
38 the department, the attorney general may initiate and
39 carry out the prosecution in cooperation, if possible,
40 with the county attorney. The person in violation may
41 be restrained by injunction in an action brought by
42 the department or the attorney general upon request by
43 the department.

44 Sec. ____ . Section 543.37, Code 1991, is amended to
45 read as follows:

46 543.37 FAILURE TO PAY FEE.

47 Failure to pay the annual license fee provided for
48 in section 543.33 on or before June-30-of-the-year-for
49 which-due the end of the third calendar month
50 following the close of the licensee's fiscal year

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1 shall cause a license to terminate. A warehouse
2 license which has terminated may be reinstated by the
3 department upon receipt of a proper renewal
4 application, the renewal fee, and the reinstatement
5 fee as provided for in section 543.33, if filed within
6 thirty days from the date of termination of the
7 warehouse license. The department may cancel the
8 license upon request of the licensee unless a
9 complaint or information is filed against the licensee
10 alleging a violation of a provision of this chapter.

11 Sec. ____ . NEW SECTION. 543.40 PRIORITIZATION OF
12 INSPECTIONS OF WAREHOUSE OPERATORS.

13 The department shall develop a system to prioritize
14 the inspections of warehouse operators provided in
15 section 543.2. The system of prioritization shall be
16 computed each year based on the risk of loss to the
17 grain depositors and sellers indemnity fund caused by
18 the possible insolvency of the warehouse operator.
19 The department shall compute the risk by utilizing an
20 available statistical model to measure the financial
21 condition of warehouse operators. Procedures for
22 utilizing the statistical model shall be adopted by
23 department rules. The statistical model shall be used
24 to provide risk ratings. A risk rating shall be used
25 as a factor by the department to prioritize its
26 inspection schedule. The department may inspect a
27 warehouse operator at any time based on a risk of loss
28 to the fund according to the risk rating. A
29 substantial risk of loss to the grain depositors and
30 sellers indemnity fund caused by the possible
31 insolvency of the warehouse operator based on the
32 statistical model shall be good cause.

33 Sec. ____ . NEW SECTION. 543A.5A LIEN ON
34 LICENSEE'S ASSETS.

35 The board may enforce a lien attached to assets
36 held by a licensee under chapter 542 or 543. The lien
37 shall be perfected and enforced pursuant to section
38 542.12A or 543.12A.

39 Sec. ____ . Section 554.9407, subsection 3, Code
40 1991, is amended by adding the following new
41 unnumbered paragraph:

42 NEW UNNUMBERED PARAGRAPH. Upon written request,
43 the filing officer shall issue a certificate showing
44 whether there is on file on the date and hour stated,
45 an effective financing statement, lien statement, or
46 termination statement under chapter 542 or 543 naming
47 a grain dealer or warehouse operator as a debtor, the
48 address of the grain dealer's or warehouse operator's
49 principal place of business, and the grain indemnity
50 fund board as secured creditor, identifiable grain

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1 proceeds subject to the lien, and the amount of the
2 lien. The uniform fee for a certificate is five
3 dollars if the request for the certificate is on a
4 form conforming to standards prescribed by the
5 secretary of state, or the fee is six dollars if the
6 request is not on a form conforming to the standards.

7 Sec. _____. Section 715A.2, subsection 2, paragraph
8 a, Code 1991, is amended to read as follows:

9 a. Forgery is a class "D" felony if the writing is
10 or purports to be part of an issue of money,
11 securities, postage or revenue stamps, or other
12 instruments issued by the government, or part of an
13 issue of stock, bonds, credit-sale contracts as
14 defined in section 542.1, or other instruments
15 representing interests in or claims against any
16 property or enterprise, or a check, draft, or other
17 writing which ostensibly evidences an obligation of
18 one person who has purportedly executed it or
19 authorized its execution.

20 Sec. _____. TRANSITION PERIOD. There shall be a
21 transition period for implementing and enforcing
22 provisions of this Act relating to any license period
23 as provided in sections 542.5 and 543.27 as amended by
24 this Act. Within the transition period, the
25 department of agriculture and land stewardship may
26 issue or renew licenses under chapter 542 or 543 for a
27 period less than twelve consecutive months. The
28 department shall prorate the fees charged for issuing
29 or renewing the licenses for a period of less than
30 twelve consecutive months. The transition period
31 shall terminate on June 30, 1993.

32 Sec. _____. DATES OF APPLICABILITY. The liens
33 established in sections 542.12A and 543.12A are
34 applicable and enforceable against all grain dealer
35 and warehouse operator licensees with an incurrence
36 date on or after July 1, 1992."

37 7. Page 23, by inserting after line 28, the
38 following:

39 "Sec. _____. REPEALS.

40 1. Section 428.35, Code 1991, is repealed.

41 2. Section 542.21, Code 1991, is repealed."

42 8. Title page, line 2, by striking the words "and
43 statutory" and inserting the following: ", providing
44 for fees, providing for statutory".

By KOENIGS of Mitchell

H-5883 FILED APRIL 13, 1992

(Adopted 4/14 (p. 1364))

SENATE FILE 2347

H-5893

1 Amend Senate File 2347, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 21, by inserting after line 10, the
4 following:

5 "Sec. ____ . Section 425A.2, subsection 4, paragraph
6 a, Code Supplement 1991, is amended to read as
7 follows:

8 a. If the owner is an individual, the designated
9 person includes the owner of the tract, ~~or a person~~
10 ~~related to the owner as the owner's spouse, parent,~~
11 ~~grandparent, child, grandchild, or stepchild, and~~
12 ~~their spouses or a person or a person's spouse, when~~
13 ~~the person is related within the third degree of~~
14 ~~consanguinity to the owner."~~

15 2. By renumbering as necessary.

By BARTZ of Worth

H-5893 FILED APRIL 14, 1992

NOT GERMANE (p. 1365)

SENATE FILE 2347

H-5894

1 Amend the amendment, H-5752, to Senate File 2347,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

4 1. Page 2, by striking line 14 and inserting the
5 following: "line 12, and inserting the following:

6 "Sec. ____ . WILDLIFE DAMAGE CONTROL. The
7 department of natural resources and the department of
8 agriculture and land stewardship shall cooperate with
9 the Iowa cooperative extension service in agriculture
10 and home economics, the United States department of
11 agriculture, and Iowa's commercial agricultural and
12 horticultural producers to develop and implement a
13 wildlife damage management policy. The purposes of
14 the policy shall be to control wildlife, including
15 deer and predators, which interfere with agricultural
16 and horticultural production, and to reduce damage or
17 injury to property involved in that production. The
18 policy shall emphasize integrating and applying
19 practical methods of prevention and management to
20 ensure that damage caused by wildlife is as low as
21 possible. The policy may incorporate habitat
22 modification, cultural practices, animal behavior
23 management, local population reduction, or any
24 combination of these depending upon the
25 characteristics of the specific damage. An animal or
26 an animal's habitat shall not be destroyed only
27 because the animal belongs to a particular species."

28 2. By renumbering as necessary.

By LUNDBY of Linn

MERTZ of Kossuth

SVOBODA of Tama

KREBSBACH of Mitchell

H-5894 FILED APRIL 14, 1992

LOST (p. 1342)

SENATE FILE 2347

H-5892

1 Amend the amendment, H-5752, to Senate File 2347,
2 as amended, passed, and reprinted by the Senate, as
3 follows:

- 4 1. Page 1, by striking lines 23 and 24.
- 5 2. Page 2, line 17, by striking the figure
- 6 "11,500,000" and inserting the following:
- 7 "11,100,000".

By SPENNER of Henry
PETERSEN of Muscatine
SPEAR of Lee

SVOBODA of Iowa
MERTZ of Kossuth
FOGARTY of Palo Alto

H-5892 FILED APRIL 14, 1992

ADOPTED (p. 1340)

HOUSE AMENDMENT TO
SENATE FILE 2347

S-5679

1 Amend Senate File 2347, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, line 25, by striking the figure
4 "70,000" and inserting the following: "47,207".

5 2. By striking page 1, line 26 through page 2,
6 line 2.

7 3. Page 2, line 5, by striking the figure
8 "731,140" and inserting the following: "658,419".

9 4. Page 2, line 15, by striking the figure
10 "54.20" and inserting the following: "52.20".

11 5. Page 2, line 29, by striking the figure
12 "3,407,044" and inserting the following: "3,607,044".

13 6. Page 2, by inserting after line 30, the
14 following:

15 "Of the amount appropriated to the regulatory
16 division under this paragraph "a", \$1,350,000 and
17 35.00 FTEs shall be allocated to the grain warehouse
18 bureau."

19 7. Page 3, by striking lines 8 and 9.

20 8. Page 3, line 24, by striking the figure
21 "5,000,784" and inserting the following: "4,900,784".

22 9. Page 3, line 26, by striking the figure
23 "330,000" and inserting the following: "230,000".

24 10. Page 4, line 5, by striking the word "Ten"
25 and inserting the following: "Five".

26 11. Page 4, line 6, by striking the figure "50"
27 and inserting the following: "60".

28 12. Page 4, line 25, by striking the figure "30"
29 and inserting the following: "50".

30 13. Page 5, by striking lines 2 through 11.

31 14. Page 6, by striking line 9 and inserting the
32 following:

33 "ADMINISTRATIVE AND SUPPORT SERVICES".

34 15. Page 7, by striking lines 12 through 18.

35 16. Page 7, by striking lines 29 and 30 and
36 inserting the following: "the expenditure derives
37 from contributions made by a private entity, or a
38 grant or moneys received from the federal government
39 and is".

40 17. Page 8, by inserting after line 10 the
41 following:

42 " For purposes of maintaining and developing
43 boating facilities and access to public waters by the
44 parks and preserves division:

45 \$ 435,375

46 For deposit in the state fish and game
47 protection fund for maintenance of boating access on
48 lands managed by the fish and wildlife division:

49 \$ 145,125".

50 18. Page 8, by striking lines 13 through 15 and

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1 inserting the following: "section 324.79:".

2 19. Page 8, by striking lines 17 through 35.

3 20. Page 9, by inserting after line 25, the

4 following:

5 "Sec. ____ . NOTICE TO GOLF COURSES. Unless an
6 agreement is reached by the department of natural
7 resources with a private organization to provide
8 funding for the notice to be made pursuant to this
9 section, there is appropriated from the general fund
10 of the state to the department of natural resources
11 for the fiscal year beginning July 1, 1992, and ending
12 June 30, 1993, the following amount, or so much
13 thereof as is necessary, to be used for the mailing of
14 a notice to all public and private golf courses
15 concerning the liability limitations relating to
16 persons golfing and golf facilities as provided in
17 section 668B.1:

18 \$ 375".

19 21. By striking page 9, line 26 through page 10,
20 line 12.

21 22. Page 10, line 19, by striking the figure
22 "\$5,000,000" and inserting the following:
23 "\$11,100,000".

24 23. By striking page 10, line 20 through page 13,
25 line 30.

26 24. By striking page 13, line 31 through page 14,
27 line 4.

28 25. Page 15, by inserting after line 12 the
29 following:

30 "Sec. ____ . FEASIBILITY STUDY. The department of
31 natural resources shall coordinate a feasibility study
32 of the creation of an artificial recreational lake
33 located at the clear creek watershed near Rhodes in
34 Marshall county. The civil and construction
35 engineering department of Iowa state university shall
36 assist the department in the collection and evaluation
37 of pertinent technical data. The department shall
38 report its findings to the natural resource commission
39 and the general assembly on or before January 1,
40 1994."

41 26. By striking page 15, line 25 through page 16,
42 line 1, and inserting the following:

43 "Sec. ____ . DIFFERENTIAL TONNAGE FEE FOR FOUNDRY
44 MATERIAL.

45 1. Notwithstanding section 455B.310, subsection
46 10, for the fiscal year beginning July 1, 1992, and
47 ending June 30, 1993, the tonnage fee is one dollar
48 and fifty cents for each ton of foundry material which
49 is not more than forty percent of the total amount of
50 foundry material deposited at a permitted sanitary

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1 landfill for daily cover by any one source, regardless
2 of whether the foundry material is".

3 27. Page 16, line 3, by inserting after the word
4 "off-site." the following: "The fees collected
5 pursuant to this subsection shall be deposited into
6 the groundwater protection fund established pursuant
7 to section 455E.11. Of each fee collected fifty cents
8 shall be used as provided in section 455E.11,
9 subsection 2, paragraph "a", subparagraph (8), and one
10 dollar shall be used as provided in section 455E.11,
11 subsection 2, paragraph "a", subparagraph (9).

12 2. The amount of foundry material deposited at the
13 sanitary landfill which is greater than forty percent
14 of the total amount deposited by any one source is
15 subject to the tonnage fee imposed in section
16 455B.310, subsection 2. The fees collected pursuant
17 to this subsection shall be appropriated as provided
18 in section 455B.310, subsection 2."

19 28. Page 16, by inserting after line 4 the
20 following:

21 "Sec. _____. ZERO-BASE BUDGET PROPOSAL. The parks
22 and preserves division of the department of natural
23 resources shall submit a zero-base budget proposal for
24 the fiscal year beginning July 1, 1993, and ending
25 June 30, 1994, to the joint appropriations
26 subcommittee on agriculture and natural resources by
27 January 15, 1993.

28 Sec. _____. DEPARTMENTAL STUDY. The department of
29 agriculture and land stewardship shall conduct a study
30 regarding animals in commercial establishments,
31 including but not limited to, minimum standards of
32 care; the regulation, certification, and licensing of
33 persons under chapter 162; the sale of the animals;
34 and protections for consumers purchasing the animals.
35 The department shall submit a report to the general
36 assembly by January 15, 1993. The report shall
37 contain findings of the study and recommendations for
38 legislative action."

39 29. Page 16, by striking lines 20 through 26.

40 30. Page 18, line 3, by striking the word
41 "division" and inserting the following: "division
42 department".

43 31. Page 21, by inserting after line 10, the
44 following:

45 "Sec. _____. Section 214.3, subsection 1, Code 1991,
46 is amended to read as follows:

47 1. The license for inspection of a commercial
48 weighing and measuring device shall expire on December
49 31 of each year, and for a motor vehicle fuel pump on
50 June 30 of each year. The amount of the fee due for

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1 each license shall be as provided in subsection 3,
 2 except that the fee for a motor vehicle fuel pump
 3 shall be three four dollars and fifty cents if paid
 4 within one month from the date the license is due.

5 Sec. _____. Section 214.3, subsection 3, paragraphs
 6 a through e, Code 1991, are amended to read as
 7 follows:

8 a. Class S-IIIID.

9 (1) Railroad track scales, seventy-one one hundred
 10 six dollars and fifty cents.

11 (2) Other scales.

12 (a) 500 to 1,000 pounds capacity, eleven sixteen
 13 dollars and fifty cents.

14 (b) 1,001 to 30,000 pounds capacity, twenty-one
 15 thirty-one dollars and fifty cents.

16 (c) 30,001 to 50,000 pounds capacity, forty-one
 17 sixty-one dollars and fifty cents.

18 (d) 50,001 pounds capacity or more, fifty-six
 19 eighty-four dollars.

20 (e) A minimum fee of thirty-one forty-six dollars
 21 and fifty cents shall be charged for each vehicle or
 22 livestock scale.

23 b. Class S-II and S-III, six nine dollars.

24 (1) Bench scale, six nine dollars.

25 (2) Counter scale, six nine dollars.

26 (3) Portable platform scale, six nine dollars.

27 (4) Livestock monorail scale, six nine dollars.

28 (5) Single animal scale, six nine dollars.

29 (6) Grain test scale, six nine dollars.

30 (7) Precious metal and gems scale, six nine

31 dollars.

32 (8) Postal scale, six nine dollars.

33 c. (1) Grain moisture meters, sixteen twenty-four
 34 dollars.

35 (2) Additional meters at the same location, eleven
 36 sixteen dollars and fifty cents.

37 d. Class M-I. One hundred-gallon prover.

38 (1) Bulk meters, six nine dollars.

39 (2) Bulk liquid petroleum gas meters, thirty-five
 40 fifty-two dollars and fifty cents.

41 (3) Bulk refined fuel meters, six nine dollars.

42 (4) Mass flow meters, six nine dollars.

43 e. Class M-II. Five-gallon prover.

44 (1) Slow flow meters, six nine dollars.

45 (2) Retail motor vehicle fuel pump, six nine

46 dollars.

47 Sec. _____. Section 215.2, subsections 1 and 2, Code
 48 1991, are amended to read as follows:

49 1. Class S, scales, fifty seventy-five dollars per
 50 hour.

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1 2. Class M, meters, ~~thirty-five~~ fifty-two dollars
2 and fifty cents per hour.

3 Sec. . Section 215.17, Code 1991, is amended to
4 read as follows:

5 215.17 TEST WEIGHTS TO BE USED.

6 Any A person, ~~firm or corporation~~ engaged in scale
7 repair work for hire shall use only test weights
8 sealed by the department in determining the
9 effectiveness of repair work and ~~said~~ the test weights
10 shall be sealed as to their accuracy once each year.

11 ~~Provided, however, that it shall be unlawful for such~~
12 However, a person to shall not claim to be an official
13 scale inspector or to and shall not use ~~said~~ the test
14 weights except to determine the accuracy of scale
15 repair work done by the person and the person shall
16 not be entitled to ~~no~~ a fee for their use. A fee
17 shall be charged and collected at time of inspection
18 for the inspection of such weights as follows:

19 All weights up to and including 25 pounds ... \$ ~~75~~ 1.10 each

20 All-weights

21 Over twenty-five pounds capacity,

22 up to and including 50 pounds ~~1-50~~ 2.25 each

23 Over 50 pounds capacity, up to and

24 including 100 pounds ~~2-00~~ 3.00 each

25 Over 100 pounds capacity, up to

26 and including 500 pounds ~~3-00~~ 4.50 each

27 Over 500 pounds capacity, up to

28 and including 1,000 pounds ~~5-00~~ 7.50 each

29 The fee for all tank calibrations shall be as
30 follows:

31 100 gallons up to and including 300

32 gallons \$ ~~3-00~~ 4.50

33 301 gallons up to and including 500

34 gallons ~~5-00~~ 7.50

35 501 gallons up to and including 1,000

36 gallons ~~7-50~~ 11.25

37 1,001 gallons up to and including 2,000

38 gallons ~~10-00~~ 15.00

39 2,001 gallons up to and including 3,000

40 gallons ~~12-00~~ 18.00

41 3,001 gallons up to and including 4,000

42 gallons ~~14-00~~ 21.00

43 4,001 gallons up to and including 5,000

44 gallons ~~16-00~~ 24.00

45 5,001 gallons up to and including 6,000

46 gallons ~~18-00~~ 27.00

47 6,001 gallons up to and including 7,000

48 gallons ~~20-00~~ 30.00

49 7,001 gallons and up ~~25-00~~ 37.50

50 ~~No-calibration-will~~ Calibration shall not be

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1 required of any a tank which is not used for the
2 purpose of measuring, or which is equipped with a
3 meter, nor shall and vehicle tanks loaded from meters
4 and carrying a printed ticket showing gallonage shall
5 not be required to be calibrated.

6 Sec. _____. Section 215A.9, unnumbered paragraph 2,
7 Code 1991, is amended to read as follows:

8 A fee of ~~ten~~ fifteen dollars shall be charged for
9 each device subject to reinspection under section
10 215A.5. All moneys received by the department under
11 the provisions of this chapter shall be handled in the
12 same manner as "repayment receipts" as defined in
13 chapter 3, and shall be used for the administration
14 and enforcement of the provisions of this chapter.'

15 32. By striking page 21, line 31 through page 22,
16 line 2.

17 33. Page 22, by inserting after line 4 the
18 following:

19 "Sec. _____. Section 455A.7, subsection 1, paragraph
20 1, Code Supplement 1991, is amended to read as
21 follows:

22 1. Office of the director which has
23 responsibilities for administering the department,
24 including information dissemination, education, and
25 government liaison services."

26 34. Page 22, by striking lines 5 through 33.

27 35. Page 22, by inserting before line 34, the
28 following:

29 "Sec. _____. Section 542.1, Code 1991, is amended by
30 adding the following new subsection:

31 NEW SUBSECTION. 10. "Good cause" means that the
32 department has cause to believe that the net worth or
33 current asset to current liability ratio of a grain
34 dealer presents a danger to sellers with whom the
35 grain dealer does business, based on evidence of any
36 of the following:

37 a. The making of a payment by use of a financial
38 instrument which is a check, share draft, draft, or
39 written order on a financial institution, and a
40 financial institution refuses payment on the
41 instrument because of insufficient funds in a grain
42 dealer's account.

43 b. A violation of recordkeeping requirements
44 provided in this chapter or rules adopted pursuant to
45 this chapter by the department.

46 c. A substantial risk of loss to the grain
47 depositors and sellers indemnity fund caused by the
48 possible insolvency of the grain dealer based on a
49 statistical model provided in section 542.22.

50 Sec. _____. Section 542.3, subsection 4, paragraph

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1 b, Code 1991, is amended to read as follows:

2 b. The grain dealer shall submit, as required by
3 the department, a financial statement that is
4 accompanied by an unqualified opinion based upon an
5 audit performed by a certified public accountant
6 licensed in this state. However, the department may
7 accept a qualification in an opinion that is
8 unavoidable by any audit procedure that is permitted
9 under generally accepted accounting principles. An
10 opinion that is qualified because of a limited audit
11 procedure or because the scope of an audit is limited
12 shall not be accepted by the department. The
13 department shall not require that a grain dealer
14 submit more than one such unqualified opinion per
15 year. The grain dealer, except as provided in section
16 542.15, may elect ~~to~~ ~~submit~~ a financial
17 statement that is accompanied by the report of a
18 certified public accountant licensed in this state
19 that is based upon a review performed by the certified
20 public accountant in lieu of the audited financial
21 statement specified in this paragraph. However, at
22 any time the department may require a financial
23 statement that is accompanied by the report of a
24 certified public accountant licensed in this state
25 that is based upon a review performed by a certified
26 public accountant if the department has good cause to
27 ~~believe that the net worth or current asset to current~~
28 ~~liability ratio of a licensee presents a danger to~~
29 ~~producers or sellers with whom the licensee deals.~~
30 ~~"Good cause" means that the department has evidence~~
31 ~~that the licensee issued checks on insufficient funds,~~
32 ~~evidence of a quality or quantity shortage in a~~
33 ~~warehouse facility, or evidence of violations of~~
34 ~~recordkeeping requirements. -- If a grain dealer making~~
35 ~~the election engages in credit sale contracts, the~~
36 ~~grain dealer shall also comply with the provisions of~~
37 ~~section 542.15, subsection 8.~~

38 Sec. ____ . Section 542.3, subsection 5, paragraph

39 b, Code 1991, is amended to read as follows:

40 b. The grain dealer shall submit, as required by
41 the department, a financial statement that is
42 accompanied by an unqualified opinion based upon an
43 audit performed by a certified public accountant
44 licensed in this state. However, the department may
45 accept a qualification in an opinion that is
46 unavoidable by any audit procedure that is permitted
47 under generally accepted accounting principles. An
48 opinion that is qualified because of a limited audit
49 procedure or because the scope of an audit is limited
50 shall not be accepted by the department. The

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1 department shall not require that a grain dealer
2 submit more than one such unqualified opinion per
3 year. The grain dealer may elect, however, to submit
4 a financial statement that is accompanied by the
5 report of a certified public accountant licensed in
6 this state that is based upon a review performed by
7 the certified public accountant in lieu of the audited
8 financial statement specified in this paragraph.
9 However, at any time the department may require a
10 financial statement that is accompanied by the report
11 of a certified public accountant licensed in this
12 state that is based upon a review performed by a
13 certified public accountant if the department has good
14 cause to believe that the net worth or current asset
15 to current liability ratio of a licensee presents a
16 danger to producers or sellers with whom the licensee
17 deals. "Good cause" means that the department has
18 evidence that the licensee issued checks on
19 insufficient funds, evidence of a quality or quantity
20 shortage in a warehouse facility, or evidence of
21 violations of recordkeeping requirements. -- If a grain
22 dealer making the election engages in credit sale
23 contracts, the grain dealer shall also comply with the
24 provisions of section 542.15, subsection 8.

25 Sec. _____. Section 542.5, unnumbered paragraph 1,
26 Code 1991, is amended to read as follows:

27 Upon the filing of the application and compliance
28 with the terms and conditions of this chapter and
29 rules of the department, the department shall issue a
30 license to the applicant. The license shall terminate
31 on at the thirtieth of June of each year end of the
32 third calendar month following the close of the grain
33 dealer's fiscal year. A grain dealer's license may be
34 renewed annually by the filing of a renewal fee and a
35 renewal application on a form prescribed by the
36 department. An application for renewal shall be
37 received by the department on or before the thirtieth
38 of June end of the third calendar month following the
39 close of the grain dealer's fiscal year. A grain
40 dealer license which has terminated may be reinstated
41 by the department upon receipt of a proper renewal
42 application, the renewal fee, and the reinstatement
43 fee as provided in section 542.6 if filed within
44 thirty days from the date of termination of the grain
45 dealer license. The department may cancel a license
46 upon request of the licensee unless a complaint or
47 information is filed against the licensee alleging a
48 violation of a provision of this chapter. Fees for
49 licenses issued for less than a full year shall be
50 prorated from the date of the application.

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1 Sec. ____ . Section 542.6, subsection 1, Code 1991,
2 is amended to read as follows:

3 1. For the issuance or renewal of a license for-a
4 grain-dealer required under section 542.3, and for any
5 inspection of a grain dealer, the fee shall be
6 determined on the basis of dollar-volume-of all
7 bushels of grain purchased during the grain dealer's
8 previous calendar fiscal year as-fellows according to
9 the grain dealer's financial statement required in
10 section 542.3. The fee shall be calculated according
11 to the following schedule:

12 a. If the total number of bushels purchased is one
13 hundred thirty-five thousand dollars or less, the
14 license fee is forty eighty-seven dollars and the
15 inspection fee is fifty one hundred nine dollars.

16 b. If the total number of bushels purchased is
17 more than one-hundred thirty-five thousand dollars,
18 but not more than seven two hundred fifty thousand
19 dollars, the license fee is seventy one hundred fifty-
20 two dollars and the inspection fee is seventy-five one
21 hundred sixty-three dollars.

22 c. If the total number of bushels purchased is
23 more than seven two hundred fifty thousand dollars,
24 but not more than one-million five hundred thousand
25 dollars, the license fee is one two hundred seventeen
26 dollars and the inspection fee is one two hundred
27 fifteen fifty dollars.

28 d. If the total number of bushels purchased is
29 more than one-million five hundred thousand dollars,
30 but not more than three one million dollars, the
31 license fee is one three hundred seventy-five eighty
32 dollars and the inspection fee is one three hundred
33 fifty twenty-five dollars.

34 e. If the total number of bushels purchased is
35 more than three one million dollars, but not more than
36 four one million seven eight hundred fifty thousand
37 dollars, the license fee is three six hundred fifty-
38 one dollars and the inspection fee is one four hundred
39 eighty-five one dollars.

40 f. If the total number of bushels purchased is
41 more than four one million seven eight hundred fifty
42 thousand dollars, but not more than nine three million
43 five two hundred thousand dollars, the license fee is
44 four nine hundred twenty-five twenty-two dollars and
45 the inspection fee is two four hundred twenty-five
46 eighty-eight dollars.

47 g. If the total number of bushels purchased is
48 more than nine three million five two hundred thousand
49 dollars, the license fee is five one thousand two
50 hundred seventy-five forty-eight dollars and the

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1 inspection fee is two five hundred sixty-five seventy-
2 five dollars.

3 If the applicant did not purchase grain in the
4 applicant's previous calendar fiscal year, the
5 applicant ~~will~~ shall pay the fee specified in
6 paragraph "a". If during the license-period
7 licensee's fiscal year the total number of bushels of
8 grain actually purchased exceeds one-hundred thirty-
9 five thousand dollars, the licensee shall notify the
10 department and the license and inspection fee shall be
11 adjusted accordingly. Subsequent adjustments shall be
12 made as necessary. An applicant may elect licensing
13 in any category of this subsection. New Fees for new
14 licenses issued for less than a full year shall be
15 prorated from the date of application.

16 Sec. ____ . Section 542.9, unnumbered paragraph 1,
17 Code 1991, is amended to read as follows:

18 The department may inspect the premises used by any
19 grain dealer in the conduct of the dealer's business
20 at any time, and the books, accounts, records, and
21 papers of every grain dealer which pertain to grain
22 purchases are subject to inspection by the department
23 during ordinary business hours. The department shall
24 cause the business premises and books, accounts,
25 records, and papers of every grain dealer to be
26 inspected not-less-than at least once during each
27 twelve-month eighteen-month period,--but-not-more-than
28 four-times-in-a-twenty-four-month-period without good
29 cause justification. The department shall prioritize
30 inspections based on the system provided in section
31 542.22. The department may use a risk rating produced
32 by a statistical model provided in section 542.22 as
33 justification to conduct an inspection. The
34 transporter of grain in transit shall possess bills of
35 lading or other documents covering the grain, and
36 shall present them to any law enforcement officer or
37 to a person designated as an enforcement officer under
38 section 542.13 on demand. If there is good-cause
39 justification to believe that a person is engaged
40 without a license in the business of a grain dealer in
41 this state, the department may inspect the books,
42 papers, and records of the person which pertain to
43 grain purchases.

44 Sec. ____ . Section 542.11, subsection 4, Code 1991,
45 is amended to read as follows:

46 4. A person in violation of this chapter, or a in
47 violation of chapter 714 or 715A involving, which
48 violation involves the business of a grain dealer, is
49 subject to prosecution by the county attorney in the
50 county where the business is located. However, if the

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1 county attorney fails to initiate prosecution within
2 thirty days and upon request by the department, the
3 attorney general may initiate and carry out the
4 prosecution in cooperation, if possible, with the
5 county attorney. The person in violation may be
6 restrained by an injunction in an action brought by
7 the department or the attorney general upon request by
8 the department.

9 Sec. ____ . NEW SECTION. 542.12A LIEN ON GRAIN
10 DEALER ASSETS.

11 1. A statutory lien is imposed on all grain dealer
12 assets in favor of sellers who have surrendered
13 warehouse receipts or other written evidence of
14 ownership as part of a grain sale transaction or who
15 possess written evidence of the sale of grain to a
16 grain dealer, without receiving full payment for the
17 grain.

18 2. "Grain dealer assets" includes proceeds
19 received or due a grain dealer upon the sale,
20 including exchange, collection, or other disposition,
21 of grain sold by the grain dealer. As used in this
22 section, "proceeds" means noncash and cash proceeds as
23 provided in section 554.9306. "Grain dealer assets"
24 also includes any other funds or property of the grain
25 dealer which can be directly traced as being from the
26 sale of grain by the grain dealer, or which were
27 utilized in the business operation of the grain
28 dealer. A court, upon petition by an affected party,
29 may order that claimed grain dealer assets are not
30 grain dealer assets as defined in this section. The
31 burden of proof shall be upon the petitioner to
32 establish that the assets are not grain dealer assets
33 as defined in this section.

34 3. The lien shall arise at the time of surrender
35 of warehouse receipts or other written evidence of
36 ownership as part of a grain sale transaction or the
37 time of delivery of the grain for sale, and shall
38 terminate when the liability of the grain dealer to
39 the seller has been discharged. The lien of all
40 sellers is hereby assigned to the Iowa grain indemnity
41 fund board, on behalf of the grain depositors and
42 sellers indemnity fund.

43 4. To perfect the lien, the Iowa grain indemnity
44 fund board must file a lien statement with the office
45 of the secretary of state. The lien statement is
46 valid only if filed on or after the date of suspension
47 but not later than sixty days after the incurrence
48 date as provided in section 543A.6. The lien
49 statement shall disclose the name of the grain dealer,
50 the address of the dealer's principal place of

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1 business, a description of identifiable grain dealer
2 assets, and the amount of the lien. The lien amount
3 shall be the board's estimate of the final cost of
4 reimbursing the grain depositors and sellers indemnity
5 fund for the payment of claims against the fund
6 resulting from the breach of the grain dealer's
7 obligations. The board shall correct the amount not
8 later than one hundred eighty days following the
9 incurrence date. A court, upon petition by an
10 affected person, may correct the amount. The board
11 shall have the burden of proving that the amount is an
12 accurate estimate.

13 5. The Iowa grain indemnity fund board shall upon
14 written demand of the grain dealer file a termination
15 statement with the secretary of state, if the license
16 of the grain dealer is not revoked, terminated, or
17 canceled after one hundred eighty days from the date
18 that the lien is perfected. Upon filing the
19 termination statement, the lien becomes unperfected.
20 The board shall also deliver a copy of the termination
21 statement to the grain dealer.

22 6. The secretary of state shall note the filing of
23 a lien statement under this section in a manner
24 provided by chapter 554, the uniform commercial code.
25 The secretary shall note the filing of a termination
26 statement with the lien statement.

27 7. A lien perfected under this section is superior
28 to an interest which is perfected subsequent to the
29 time the lien statement is filed with the secretary of
30 state, except liens arising under chapters 570 through
31 571.

32 8. If the grain dealer is also licensed under
33 chapter 543, and in the event the department is
34 appointed as a receiver under section 543.3, assets
35 under the authority of the receiver are free from this
36 statutory lien. However, if there are receivership
37 assets in excess of those necessary to fully reimburse
38 depositors, the perfected lien will attach to those
39 excess assets.

40 9. The board may enforce the lien in the manner
41 provided in chapter 554, article 9, part 5, for the
42 enforcement of security interests. If, upon
43 enforcement of the lien, the lien amount is satisfied
44 in full without exhaustion of the grain dealer assets,
45 the remaining assets shall be returned to the grain
46 dealer or, if there are competing claims to those
47 remaining assets by other creditors, shall place those
48 assets in the custody of the district court and
49 implead the known creditors.

50 For purposes of enforcement of the lien, the board

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1 is deemed to be the secured party and the grain dealer
2 is deemed to be the debtor, and each has the
3 respective rights and duties of a secured party and a
4 debtor as provided in chapter 554, article 9, part 5.
5 If a right or duty under chapter 554, article 9, part
6 5, is contingent upon the existence of express
7 language in a security agreement, or may be waived by
8 express language in a security agreement, the
9 requisite language is deemed not to exist for purposes
10 of enforcement of the lien created by this section.

11 10. Actions relating to this section shall be
12 brought in the district court in the county in which
13 the grain dealer's primary place of business is
14 located or in Polk county.

15 Sec. ____ . Section 542.15, subsection 7, Code 1991,
16 is amended by striking the subsection and inserting in
17 lieu thereof the following:

18 7. a. A grain dealer shall not purchase grain on
19 credit-sale contract during any time period in which
20 the grain dealer fails to maintain fifty cents of net
21 worth for each outstanding bushel of grain purchased
22 under credit. The grain dealer may maintain a
23 deficiency bond or an irrevocable letter of credit in
24 the amount of two thousand dollars for each one
25 thousand dollars or fraction thereof of deficiency in
26 net worth.

27 b. A grain dealer holding a federal or state
28 warehouse license who does not have a sufficient
29 quantity or quality of grain to satisfy the warehouse
30 operator's obligations based on an examination by the
31 department or the United States department of
32 agriculture shall not purchase grain on credit-sale
33 contract to correct the shortage of grain.

34 c. A grain dealer must meet at least one of the
35 following conditions:

36 (1) The grain dealer's last financial statement
37 required to be submitted to the department pursuant to
38 section 542.3 is accompanied by an unqualified opinion
39 based upon an audit performed by a certified public
40 accountant licensed in this state.

41 (2) The grain dealer files a bond with the
42 department in the amount of one hundred thousand
43 dollars payable to the department. The bond shall be
44 used to indemnify sellers for losses resulting from a
45 breach of a credit-sale contract as provided by rules
46 adopted by the department. The rules shall include,
47 but are not limited to, procedures and criteria for
48 providing notice, filing claims, valuing losses, and
49 paying claims. The bond provided in this paragraph
50 shall be in addition to any other bond required in

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1 this chapter.

2 A bond filed with the department under this
3 paragraph shall not be canceled by the issuer on less
4 than ninety days notice by certified mail to the
5 department and the principal. When the department
6 receives notice from an issuer that it has canceled
7 the bond, the department shall automatically suspend
8 the grain dealer's license if a replacement bond is
9 not received by the department within sixty days of
10 the issuance of the notice of cancellation. The
11 department shall cause an inspection of the licensed
12 grain dealer immediately at the end of the sixty-day
13 period. If a replacement bond is not filed within
14 another thirty days following the suspension, the
15 grain dealer license shall be automatically revoked.
16 When a license is revoked, the department shall
17 provide notice of the revocation by ordinary mail to
18 the last known address of each holder of an
19 outstanding credit-sale contract and all known
20 sellers.

21 Sec. ____ . Section 542.15, Code 1991, is amended by
22 adding the following new subsection:

23 NEW SUBSECTION. 7A. The department may adopt
24 rules to suspend the right of a grain dealer to
25 purchase grain by credit-sale contract based on any of
26 the following conditions:

27 a. The grain dealer holding a federal or state
28 warehouse license does not have a sufficient quantity
29 or quality of grain to satisfy the warehouse
30 operator's obligations based on an examination by the
31 department or the United States department of
32 agriculture.

33 b. The grain dealer holding a state or federal
34 warehouse license issues back to the grain dealer a
35 warehouse receipt for purposes of providing
36 collateral, if the grain which is the subject of the
37 warehouse receipt was purchased on credit and is
38 unpaid for by the grain dealer.

39 c. The grain dealer fails to maintain requirements
40 relating to net worth or fails to maintain a ratio of
41 current assets to current liabilities, as required in
42 section 542.3.

43 d. The grain dealer violates this section.

44 e. The grain dealer's total liabilities are
45 greater than seventy-five percent of the grain
46 dealer's total assets.

47 f. The grain dealer has made payment by use of a
48 financial instrument which is a check, share draft,
49 draft, or written order on a financial institution,
50 and a financial institution refuses payment on the

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1 instrument because of insufficient funds in a grain
2 dealer's account.

3 g. The department discovers that a grain dealer
4 has delayed payment for grain purchased since the
5 department last inspected the grain dealer pursuant to
6 section 542.9.

7 Sec. ____ . NEW SECTION. 542.22 PRIORITIZATION OF
8 INSPECTIONS OF GRAIN DEALERS.

9 The department shall develop a system to prioritize
10 the inspections of grain dealers provided in section
11 542.9. The system of prioritization shall be computed
12 each year based on the risk of loss to the grain
13 depositors and sellers indemnity fund caused by the
14 possible insolvency of the grain dealer. The
15 department shall compute the risk by utilizing an
16 available statistical model to measure the financial
17 condition of grain dealers, and especially grain
18 dealers who execute credit-sale contracts. Procedures
19 for utilizing the statistical model shall be adopted
20 by department rules. The statistical model shall be
21 used to provide risk ratings. A risk rating shall be
22 used as a factor by the department to prioritize its
23 inspection schedule. The department may use a risk
24 rating produced by the statistical model as
25 justification to inspect the grain dealer at any time.
26 A substantial risk of loss to the grain depositors and
27 sellers indemnity fund caused by the possible
28 insolvency of the grain dealer based on the
29 statistical model shall be good cause.

30 Sec. ____ . Section 543.1, Code 1991, is amended by
31 adding the following new subsection:

32 NEW SUBSECTION. 7A. "Good cause" means that the
33 department has cause to believe that the net worth or
34 current asset to current liability ratio of a
35 warehouse operator presents a danger to depositors
36 with whom the warehouse operator does business, based
37 on evidence of any of the following:

38 a. The making of a payment by use of a financial
39 instrument which is a check, share draft, draft, or
40 written order on a financial institution, and a
41 financial institution refuses payment on the
42 instrument because of insufficient funds in the
43 warehouse operator's account.

44 b. A violation of recordkeeping requirements
45 provided in this chapter or rules adopted pursuant to
46 this chapter by the department.

47 c. A quality or quantity shortage in the warehouse
48 facility.

49 d. A high risk of loss to the grain depositors and
50 sellers indemnity fund caused by the possible

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1 insolvency of the warehouse operator based on a
2 statistical model provided in section 543.40.

3 Sec. _____. Section 543.2, unnumbered paragraph 1,
4 Code 1991, is amended to read as follows:

5 The department may exercise general supervision
6 over the storage, warehousing, classifying according
7 to grade or otherwise, weighing, and certification of
8 agricultural products. The department may inspect or
9 cause to be inspected any warehouse. Inspections may
10 be made at times and for purposes as the department
11 determines. Except as provided in section 543.6, the
12 department shall cause every licensed warehouse and
13 its contents to be inspected once in every twelve-
14 month period. The department shall prioritize
15 inspections based on the system provided in section
16 543.40. The department may require the filing of
17 reports relating to a warehouse or its operation. If
18 upon inspection a deficiency is found to exist as to
19 the quantity or quality of agricultural products
20 stored, as indicated on the warehouse operator's books
21 and records according to official grain standards, the
22 department may require an employee of the department
23 to remain at the licensed warehouse and supervise all
24 operations involving agricultural products stored
25 there under this chapter until the deficiency is
26 corrected. The charge for the cost of maintaining an
27 employee of the department at a warehouse to supervise
28 the correction of a deficiency is one hundred fifty
29 dollars per day."

30 36. Page 23, by striking lines 13 through 24.

31 37. Page 23, by inserting after line 24 the
32 following:

33 "Sec. _____. NEW SECTION. 668B.1 LIABILITY OF
34 PERSON ENGAGING IN THE ACTIVITY OF GOLFING.

35 A participant engaging in the activity of golfing
36 is presumed to have assumed the risk of any injury
37 resulting from the participant's own acts or the acts
38 of another participant which are directly related to
39 the normal golfing activity and which occur on or near
40 the golf course. A participant unintentionally
41 causing an injury as a result of that participant's
42 golfing activity is not liable unless the injury is
43 the result of the willful or reckless behavior of the
44 participant. A person providing the premises where
45 participants engage in the activity of golfing is not
46 liable for an injury which occurs as the result of
47 normal golfing activity unless the person knew or
48 should have known that there was a condition on the
49 premises which involved an unreasonable risk of injury
50 to any participant.

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1 For purposes of this section "participant" includes
2 the individual engaging in the activity of golf and
3 any other individual who enters the premises where
4 such activity occurs."

5 38. Page 23, by inserting before line 25, the
6 following:

7 "Sec. ____ . Section 543.6, subsection 4, paragraph
8 b, Code 1991, is amended to read as follows:

9 b. The warehouse operator shall submit, as
10 required by the department, a financial statement that
11 is accompanied by an unqualified opinion based upon an
12 audit performed by a certified public accountant
13 licensed in this state. However, the department may
14 accept a qualification in an opinion that is
15 unavoidable by any audit procedure that is permitted
16 under generally accepted accounting principles. An
17 opinion that is qualified because of a limited audit
18 procedure or because the scope of an audit is limited
19 shall not be accepted by the department. The
20 department shall not require that a warehouse operator
21 submit more than one such unqualified opinion per
22 year. The warehouse operator may elect, however, to
23 submit a financial statement that is accompanied by
24 the report of a certified public accountant licensed
25 in this state that is based upon a review performed by
26 the certified public accountant in lieu of the audited
27 financial statement specified in this paragraph.
28 However, at any time the department may require a
29 financial statement that is accompanied by the report
30 of a certified public accountant licensed in this
31 state that is based upon a review performed by a
32 certified public accountant if the department has good
33 cause to believe that the net worth or current asset
34 to current liability ratio of a licensee presents a
35 danger to producers or sellers with whom the licensee
36 deals. "Good cause" means that the department has
37 evidence that the licensee issued checks on
38 insufficient funds, evidence of a quality or quantity
39 shortage in a warehouse facility, or evidence of
40 violations of recordkeeping requirements.

41 Sec. ____ . Section 543.6, subsection 5, paragraph
42 b, Code 1991, is amended to read as follows:

43 b. The warehouse operator shall submit, as
44 required by the department, a financial statement that
45 is accompanied by an unqualified opinion based upon an
46 audit performed by a certified public accountant
47 licensed in this state. However, the department may
48 accept a qualification in an opinion that is
49 unavoidable by any audit procedure that is permitted
50 under generally accepted accounting principles. An

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1 opinion that is qualified because of a limited audit
2 procedure or because the scope of an audit is limited
3 shall not be accepted by the department. The
4 department shall not require that a warehouse operator
5 submit more than one such unqualified opinion per
6 year. The warehouse operator may elect, however, to
7 submit a financial statement that is accompanied by
8 the report of a certified public accountant licensed
9 in this state that is based upon a review performed by
10 the certified public accountant in lieu of the audited
11 financial statement specified in this paragraph.
12 However, at any time the department may require a
13 financial statement that is accompanied by the report
14 of a certified public accountant licensed in this
15 state that is based upon a review performed by a
16 certified public accountant if the department has good
17 cause to believe that the net worth or current asset
18 to current liability ratio of a licensee presents a
19 danger to producers or sellers with whom the licensee
20 deals. "Good cause" means that the department has
21 evidence that the licensee issued checks on
22 insufficient funds, evidence of a quality or quantity
23 shortage in a warehouse facility, or evidence of
24 violations of recordkeeping requirements.

25 Sec. ____ . NEW SECTION. 543.12A LIEN ON WAREHOUSE
26 OPERATOR ASSETS.

27 1. A statutory lien is imposed on all warehouse
28 operator assets in favor of depositors possessing
29 warehouse receipts covering grain stored by the
30 warehouse operator and depositors with written
31 evidence of ownership other than warehouse receipts
32 disclosing a storage obligation of a warehouse
33 operator.

34 2. "Warehouse operator assets" includes proceeds
35 received or due a warehouse operator upon the sale,
36 including exchange, collection, or other disposition,
37 of grain sold by the warehouse operator. As used in
38 this section, "proceeds" means noncash and cash
39 proceeds as provided in section 554.9306. "Warehouse
40 operator assets" also includes storage payments
41 received or due to a warehouse operator, grain owned
42 by the warehouse operator, and any other funds or
43 property of the warehouse operator which can be
44 directly traced as being from the sale of grain by the
45 warehouse operator, or which were utilized in the
46 business operation of the warehouse operator. A
47 court, upon petition by an affected party, may order
48 that claimed warehouse operator assets are not
49 warehouse operator assets as defined in this section.
50 The burden of proof shall be upon the petitioner to

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1 escrowed and the assets are not warehouse operator
2 assets as defined in this section.
3 3. The lien shall arise at the commencement of the
4 storage obligation, and shall terminate when the
5 liability of the warehouse operator to the depositor
6 has been discharged. The lien of all depositors is
7 hereby assigned to the Iowa grain indemnity fund
8 board, on behalf of the grain depositors and sellers
9 indemnity fund.
10 4. No perfect the lien; the Iowa grain indemnity
11 fund board must file a lien statement with the office
12 of the secretary of state. The lien statement is
13 valid only if filed on or after the date of suspension
14 but not later than sixty days after the incurrence
15 date as provided in section 543A.6. The lien
16 statement shall disclose the name of the warehouse
17 operator, the address of the warehouse operator's
18 principal place of business, a description of
19 identifiable warehouse operator assets, and the amount
20 of the lien. The lien amount shall be the board's
21 estimate of the final cost of reimbursing the grain
22 depositors and sellers indemnity fund for the payment
23 of claims made against the fund resulting from the
24 breach of the warehouse operator's obligations. The
25 board shall correct the amount not later than one
26 hundred eighty days following the incurrence date. A
27 court, upon petition by an affected person, may
28 correct the amount. The board shall have the burden
29 of proving that the amount is an accurate estimate.
30 5. The Iowa grain indemnity fund board shall upon
31 written demand of the warehouse operator file a
32 termination statement with the secretary of state, if
33 the license of the warehouse operator is not revoked,
34 terminated, or canceled after one hundred eighty days
35 from the date that the lien is perfected. Upon filing
36 the termination statement, the lien becomes
37 unperfected. The board shall also deliver a copy of
38 the termination statement to the warehouse operator.
39 6. The secretary of state shall note the filing of
40 a lien statement under this section in a manner
41 provided by chapter 554, the uniform commercial code.
42 The secretary shall note the filing of a termination
43 statement with the lien statement.
44 7. A lien perfected under this section is superior
45 to a lien of security interest which attaches
46 subsequent to the time the lien statement is filed
47 with the secretary of state, except liens arising
48 under chapters 570 through 571.
49 8. In the event the department is appointed as a
50 receiver under section 543.3, assets under the
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1 authority of the receiver are free from this statutory
2 lien. However, if there are receivership assets in
3 excess of those necessary to fully reimburse
4 depositors, the perfected lien will attach to those
5 excess assets.

6 9. The Iowa grain indemnity fund board may enforce
7 the lien in the manner provided in chapter 554,
8 article 9, part 5, for the enforcement of security
9 interests. If, upon enforcement of the lien, the lien
10 amount is satisfied in full without exhaustion of the
11 warehouse operator assets, the remaining assets shall
12 be returned to the warehouse operator or, if there are
13 competing claims to those remaining assets by other
14 creditors, those assets shall be placed in the custody
15 of the district court and the known creditors
16 impleaded.

17 For purposes of enforcement of the lien, the board
18 is deemed to be the secured party and the warehouse
19 operator is deemed to be the debtor, and each has the
20 respective rights and duties of a secured party and a
21 debtor as provided in chapter 554, article 9, part 5.
22 If a right or duty under chapter 554, article 9, part
23 5, is contingent upon the existence of express
24 language in a security agreement, or may be waived by
25 express language in a security agreement, the
26 requisite language is deemed not to exist for purposes
27 of enforcement of the lien created by this section.

28 10. Actions relating to this section shall be
29 brought in the district court in the county in which
30 the warehouse operator's primary place of business is
31 located or in Polk county.

32 Sec. _____. Section 543.17, Code 1991, is amended by
33 adding the following new subsection:

34 NEW SUBSECTION. 6A. A licensed warehouse operator
35 who does not have a sufficient quantity or quality of
36 grain to satisfy the warehouse operator's obligations
37 based on an examination by the department shall not
38 purchase grain on credit-sale contract to correct the
39 shortage of grain. A licensed warehouse operator
40 shall not issue a warehouse receipt for purposes of
41 providing collateral, if the grain which is the
42 subject of the warehouse receipt was purchased by
43 credit-sale contract and is unpaid for by the
44 warehouse operator.

45 Sec. _____. Section 543.17, subsection 7, Code 1991,
46 is amended to read as follows:

47 7. Every licensed warehouse operator shall, on or
48 before July 1 of each year, send a statement for each
49 holder of a warehouse receipt covering grain held for
50 more than one year at that warehouse to the holder's

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1 last known address. The statement shall show the
2 amount of all grain held pursuant to warehouse receipt
3 for such warehouse receipt holder and the amount of
4 any storage charges held by the licensed warehouse
5 operator against that grain. However, a licensed
6 warehouse operator need not prepare this annual
7 statement for a holder of a warehouse receipt, if the
8 licensed warehouse operator prepares such statements
9 monthly, quarterly or for any other period more
10 frequent than annually. ~~Failure~~ The failure to
11 prepare a statement required by this subsection is a
12 simple misdemeanor.

13 PARAGRAPH DIVIDED. Violation of this section shall
14 not constitute grounds for suspension, revocation, or
15 modification of the license of anyone licensed under
16 this chapter.

17 Sec. _____. Section 543.33, subsection 1, paragraphs
18 a through g, Code 1991, are amended to read as
19 follows:

20 a. If the total storage capacity is one hundred
21 thousand bushels or less, the fee is ~~thirty-five~~
22 seventy-six dollars.

23 b. If the total storage capacity is more than one
24 hundred thousand bushels, but not more than seven
25 hundred fifty thousand bushels, the fee is ~~seventy-~~
26 five one hundred sixty-three dollars.

27 c. If the total storage capacity is more than
28 seven hundred fifty thousand bushels, but not more
29 than one million five hundred thousand bushels, the
30 fee is ~~one two hundred fifteen~~ fifty dollars.

31 d. If the total storage capacity is more than one
32 million five hundred thousand bushels, but not more
33 than three million bushels, the fee is ~~one three~~
34 hundred fifty twenty-five dollars.

35 e. If the total storage capacity is more than
36 three million bushels, but not more than four million
37 seven hundred fifty thousand bushels, the fee is ~~one~~
38 four hundred eighty-five one dollars.

39 f. If the total storage capacity is more than four
40 million seven hundred fifty thousand bushels, but not
41 more than nine million five hundred thousand bushels,
42 the fee is ~~two four hundred twenty-five~~ eighty-eight
43 dollars.

44 g. If the total storage capacity is more than nine
45 million five hundred thousand bushels, the fee is ~~two~~
46 five hundred sixty-five seventy-five dollars.

47 Sec. _____. Section 543.36, subsection 4, Code 1991,
48 is amended to read as follows:

49 4. A person in violation of this chapter, or a in
50 violation of chapter 714 or 715A involving, which

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1 violation involves the business of a warehouse
2 operator, is subject to prosecution by the county
3 attorney in the county where the business is located.
4 However, if the county attorney fails to initiate
5 prosecution within thirty days, and upon request by
6 the department, the attorney general may initiate and
7 carry out the prosecution in cooperation, if possible,
8 with the county attorney. The person in violation may
9 be restrained by injunction in an action brought by
10 the department or the attorney general upon request by
11 the department.

12 Sec. ____ . Section 543.37, Code 1991, is amended to
13 read as follows:

14 543.37 FAILURE TO PAY FEE.

15 Failure to pay the annual license fee provided for
16 in section 543.33 on or before June-30-of-the-year-for
17 which-due the end of the third calendar month
18 following the close of the licensee's fiscal year
19 shall cause a license to terminate. A warehouse
20 license which has terminated may be reinstated by the

21 department upon receipt of a proper renewal
22 application, the renewal fee, and the reinstatement
23 fee as provided for in section 543.33, if filed within
24 thirty days from the date of termination of the
25 warehouse license. The department may cancel the
26 license upon request of the licensee unless a
27 complaint or information is filed against the licensee
28 alleging a violation of a provision of this chapter.

29 Sec. ____ . NEW SECTION. 543.40 PRIORITIZATION OF
30 INSPECTIONS OF WAREHOUSE OPERATORS.

31 The department shall develop a system to prioritize
32 the inspections of warehouse operators provided in
33 section 543.2. The system of prioritization shall be
34 computed each year based on the risk of loss to the
35 grain depositors and sellers indemnity fund caused by
36 the possible insolvency of the warehouse operator.
37 The department shall compute the risk by utilizing an
38 available statistical model to measure the financial
39 condition of warehouse operators. Procedures for
40 utilizing the statistical model shall be adopted by
41 department rules. The statistical model shall be used
42 to provide risk ratings. A risk rating shall be used
43 as a factor by the department to prioritize its
44 inspection schedule. The department may inspect a
45 warehouse operator at any time based on a risk of loss
46 to the fund according to the risk rating. A
47 substantial risk of loss to the grain depositors and
48 sellers indemnity fund caused by the possible
49 insolvency of the warehouse operator based on the
50 statistical model shall be good cause.

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1 Sec. . . . NEW SECTION. 543A.5A LIEN ON
2 LICENSEE'S ASSETS.

3 The board may enforce a lien attached to assets
4 held by a licensee under chapter 542 or 543. The lien
5 shall be perfected and enforced pursuant to section
6 542.12A or 543.12A?

7 Sec. . . . Section 554.9407, subsection 3, Code
8 1991, is amended by adding the following new
9 unnumbered paragraph:

10 NEW UNNUMBERED PARAGRAPH. Upon written request,
11 the filing officer shall issue a certificate showing
12 whether there is on file on the date and hour stated,
13 an effective financing statement, lien statement, or
14 termination statement under chapter 542 or 543 naming
15 a grain dealer or warehouse operator as a debtor, the
16 address of the grain dealer's or warehouse operator's
17 principal place of business, and the grain indemnity
18 fund board as secured creditor, identifiable grain
19 proceeds subject to the lien, and the amount of the
20 lien. The uniform fee for a certificate is five
21 dollars if the request for the certificate is on a
22 form conforming to standards prescribed by the
23 secretary of state, or the fee is six dollars if the
24 request is not on a form conforming to the standards.

25 Sec. . . . Section 715A.2, subsection 2, paragraph
26 a, Code 1991, is amended to read as follows:

27 a. Forgery is a class "D" felony if the writing is
28 or purports to be part of an issue of money,
29 securities, postage or revenue stamps, or other
30 instruments issued by the government, or part of an
31 issue of stock, bonds, credit-sale contracts as
32 defined in section 542.1, or other instruments
33 representing interests in or claims against any
34 property or enterprise, or a check, draft, or other
35 writing which ostensibly evidences an obligation of
36 the person who has purportedly executed it or
37 authorized its execution.

38 Sec. . . . TRANSITION PERIOD. There shall be a
39 transition period for implementing and enforcing
40 provisions of this Act relating to any license period
41 as provided in sections 542.5 and 543.37 as amended by
42 this Act. Within the transition period, the
43 department of agriculture and land stewardship may
44 issue or renew licenses under chapter 542 or 543 for a
45 period less than twelve consecutive months. The
46 department shall prorate the fees charged for issuing
47 or renewing the licenses for a period of less than
48 twelve consecutive months. The transition period
49 shall terminate on June 30, 1993.

50 Sec. . . . DATES OF APPLICABILITY. The liens

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1 established in sections 542.12A and 543.12A are
2 applicable and enforceable against all grain dealer
3 and warehouse operator licensees with an incurrence
4 date on or after July 1, 1992."

5 39. Page 23, by inserting after line 28, the
6 following:

7 "Sec. ____ . REPEALS.

8 1. Section 428.35, Code 1991, is repealed.

9 2. Section 542.21, Code 1991, is repealed."

10 40. Title page, line 2, by striking the words
11 "and statutory" and inserting the following: ",
12 providing for fees, providing for statutory".

13 41. By renumbering, relettering, or redesignating
14 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-5679 FILED APRIL 14, 1992

Senate REFUSED TO CONCUR (p. 1402)

House insisted 4/15 (p. 1497)

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 2347

To the President of the Senate and the Speaker of the House of Representatives;

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and the House of Representatives on Senate File 2347, a bill for an Act relating to agriculture and natural resources, by making appropriations and statutory changes, and providing effective dates, respectfully make the following report:

- 1. That the House recedes from its amendment, S-5679.
- 2. That Senate File 2347, as amended, passed, and reprinted by the Senate, is amended as follows:

- 1. By striking everything after the enacting clause and inserting the following:

"DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Section 1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE DIVISION

- a. For salaries, support, maintenance, the support of the state 4-H foundation, support of the statistics bureau, and miscellaneous purposes:

..... \$ 1,000,544

Of the funds appropriated in this paragraph "a", \$35,000 shall be allocated to the state 4-H foundation to foster the development of Iowa's youth and to encourage them to study the subject of agriculture.

Of the funds appropriated in this paragraph "a", \$140,000

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and 5.00 FTEs shall be allocated to the statistics bureau to provide county-by-county information on land in farms, production by crop, acres by crop, and county prices by crop. This information shall be made available to the department of revenue and finance for use in the productivity formula for valuing and equalizing agricultural land.

b. For the operations of the dairy trade practices bureau:

..... \$ 69,612

Of the funds appropriated in this paragraph "b", not more than \$46,945 shall be used to support the operations of the dairy trade practices bureau for the fiscal year beginning July 1, 1992, and ending June 30, 1993. Notwithstanding section 8.39, moneys appropriated under this paragraph shall not be transferred by the department to support a purpose other than the operations of the bureau. Notwithstanding section 8.33, unobligated or unencumbered moneys remaining on June 30, 1993, shall not revert, but shall be available for expenditure for the bureau for the next fiscal year and any of these moneys remaining on June 30, 1994, shall revert to the general fund of the state.

c. For the operations of the agricultural marketing bureau:

..... \$ 776,805

Of the funds appropriated in this paragraph "c", \$325,000 and 8.00 FTEs shall be used to support horticulture.

d. For the purpose of performing commercial feed audits:

..... \$ 56,157

e. For the purpose of performing fertilizer audits:

..... \$ 56,157

f. Funds appropriated by this subsection are for the salaries and support of not more than the following full-time equivalent positions:

..... FTEs 56.20

2. FARMERS' MARKET COUPON PROGRAM

For salaries, support, maintenance, and miscellaneous purposes, to be used by the department to continue and expand

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the farmers' market coupon program by providing federal special supplemental food program recipients with coupons redeemable at farmers' markets, and for not more than the following full-time equivalent positions:

.....	\$	190,822
.....	FTEs	1.00

3. REGULATORY DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,587,025
.....	FTEs	135.00

b. To cover the costs of inspection, sampling, analysis, and other expenses necessary for the administration of chapters 192, 194, and 195:

.....	\$	648,571
-------	----	---------

4. LABORATORY DIVISION

a. For salaries, support, maintenance, and miscellaneous purposes, including the administration of the gypsy moth program:

.....	\$	670,538
-------	----	---------

Of the amount appropriated under this paragraph "a", \$50,000 shall be used to administer a program relating to the detection, surveillance, and eradication of the gypsy moth. The department shall allocate and use the appropriation made under this paragraph before moneys other than those appropriated under this paragraph are used to support the program.

b. For the operations of the commercial feed programs:

.....	\$	705,436
-------	----	---------

c. For the operations of the pesticide programs:

.....	\$	1,189,105
-------	----	-----------

d. For the operations of the fertilizer programs:

.....	\$	622,674
-------	----	---------

e. Funds appropriated by this subsection are for the salaries and support of not more than the following full-time

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equivalent positions:

..... FTEs 79.25

5. SOIL CONSERVATION DIVISION

a. For salaries, support, maintenance, assistance to soil conservation districts, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 4,973,030

..... FTEs 173.52

Of the funds appropriated in this paragraph "a", \$330,000 shall be used to reimburse commissioners of soil and water conservation districts for administrative expenses. Moneys used for the payment of meeting dues by counties shall be matched on a dollar-for-dollar basis by the soil conservation division.

b. To provide financial incentives for soil conservation practices under chapter 467A:

..... \$ 5,947,480

c. The following requirements apply to the moneys appropriated by paragraph "b":

(1) Not more than 5 percent of the moneys appropriated in paragraph "b" may be allocated for cost sharing to abate complaints filed under section 467A.47.

(2) Of the moneys appropriated in paragraph "b", 5 percent shall be allocated for financial incentives to establish practices to protect watersheds above publicly owned lakes of the state from soil erosion and sediment. The financial incentives shall be awarded to watersheds which are of the highest importance based on soil loss as established by the natural resource commission pursuant to section 107.33A. The financial incentives shall not exceed seventy-five percent of the estimated cost of establishing the practices as determined by the commissioners or seventy-five percent of the actual cost of establishing the practices, whichever is less.

(3) The commissioners of a soil and water conservation district may allocate financial incentives to encourage summer construction of permanent soil and water conservation

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practices. The practices shall be constructed on or after June 1 but not later than August 15. The commissioners may also provide for the payment of moneys on a prorated basis to compensate persons for the production loss on an area disturbed by construction, according to rules which shall be adopted by the division. The commissioners shall not allocate cost-share moneys to support summer construction during a fiscal year in which applications for cost-share moneys required to establish permanent soil and water conservation practices, other than established by summer construction, equal the total amount available to support the nonsummer construction practices. The financial incentives shall not exceed sixty percent of the estimated cost of establishing the practice as determined by the commissioners, or sixty percent of the actual cost of establishing the practice, whichever is less.

(4) The commissioners of a soil and water conservation district may allocate financial incentives under a special agreement with owners of land in the district who shall adopt a watershed conservation plan as provided by rules which shall be adopted by the division. The watershed conservation plan shall be in conjunction with the owners' respective farm unit soil conservation plans. The funding agreement must provide for the funding of a project which includes five or more contiguous farm units which have at least five hundred acres of agricultural land and which constitutes at least seventy-five percent of the agricultural land located within a watershed or subwatershed. The financial incentives shall not exceed sixty percent of the estimated cost of the project as determined by the commissioners or sixty percent of the actual cost, whichever is less.

(5) Except as otherwise provided in subparagraphs (1) through (4), the moneys appropriated in paragraph "b" shall not be used alone or in combination with other public funds to provide a financial incentive payment greater than fifty percent of the approved cost for a voluntary permanent soil

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conservation practice. Priority for funding shall be given to family-operated farms.

(6) Not more than 30 percent of a district's allocation of moneys as financial incentives may be provided for the purpose of establishing management practices to control soil erosion on land that is row cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping. The division shall by rule establish limits on the amount of incentives which shall be authorized for payment to landowners upon establishment of the practice.

(7) The soil conservation committee may allocate moneys to conduct research and demonstration projects to promote conservation tillage and nonpoint sources pollution control practices.

(8) The financial incentive payments may be used in combination with department of natural resources funds.

d. The provisions of section 8.33 shall not apply to the funds appropriated under paragraph "b". Unencumbered or unobligated funds remaining on June 30, 1996, from funds appropriated under paragraph "b" for the fiscal year beginning July 1, 1992, shall revert to the general fund on August 31, 1996.

Sec. 2. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To fund lamb and wool management education projects approved by the department at community colleges selected as project sites as provided in section 99E.32, subsection 3, paragraph "m":

..... \$ 192,426

Sec. 3. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is

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necessary, to be used for the purpose designated:

For support of the pseudorabies eradication program:

..... \$ 795,560

Sec. 4. There is appropriated from the funds available under section 99D.13 to the regulatory division of the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For salaries, support, maintenance, and miscellaneous purposes for the administration of section 99D.22:

..... \$ 174,342

INTERSTATE COMPACT ON AGRICULTURAL GRAIN MARKETING

Sec. 5. There is appropriated from the general fund of the state to the interstate agricultural grain marketing commission for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For carrying out duties of the commission as provided in Article IV of the interstate compact on agricultural grain marketing as provided in chapter 183:

..... \$ 61,606

DEPARTMENT OF NATURAL RESOURCES

Sec. 6. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE AND SUPPORT SERVICES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 2,058,055

..... FTEs 135.00

2. PARKS AND PRESERVES DIVISION

For salaries, support, maintenance, miscellaneous purposes,

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and for not more than the following full-time equivalent positions:

.....	\$	5,176,266
.....	FTEs	210.57

3. FORESTS AND FORESTRY DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,390,537
.....	FTEs	55.71

4. ENERGY AND GEOLOGICAL RESOURCES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,455,711
.....	FTEs	55.02

5. ENVIRONMENTAL PROTECTION DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,101,771
.....	FTEs	174.00

6. FISH AND WILDLIFE DIVISION

For not more than the following full-time equivalent positions:

.....	FTEs	338.78
-------	------	--------

7. WASTE MANAGEMENT ASSISTANCE DIVISION

For not more than the following full-time equivalent positions:

.....	FTEs	18.75
-------	------	-------

8. For the green thumb program for the employment of the elderly in conservation and outdoor recreation related fields in coordination with other agencies as provided by law, and for not more than the following full-time equivalent positions:

.....	\$	129,279
-------	----	---------

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..... FTEs 10.00

Sec. 7. There is appropriated from the state fish and game protection fund to the division of fish and wildlife of the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for administrative support, and for salaries, support, maintenance, equipment, and miscellaneous purposes:

..... \$ 18,386,561

The department shall not expend more moneys from the fish and game protection fund than provided in this section, unless the expenditure derives from contributions made by a private entity, or a grant or moneys received from the federal government, and is approved by the natural resource commission. The department of natural resources shall promptly notify the legislative fiscal bureau of the commission's approval, and the chairpersons and ranking members of the agriculture and natural resources appropriations subcommittee.

Sec. 8. There is appropriated from the marine fuel tax receipts deposited in the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For purposes of funding expenditures traditionally funded from marine fuel tax revenues, but not considered as capitals or operations:

..... \$ 198,890

2. For purposes of maintaining and developing boating facilities and access to public waters by the parks and preserves division:

..... \$ 432,959

3. For deposit in the state fish and game protection fund for maintenance of boating access on lands managed by the fish and wildlife division:

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..... \$ 144,320

4. For purposes of funding capitals traditionally funded from marine fuel tax receipts for the purposes specified in section 324.79:

..... \$ 1,540,000

Notwithstanding section 8.33, the unencumbered or unobligated moneys remaining on June 30, 1993, from moneys appropriated for purposes of funding capitals traditionally funded from marine fuel tax receipts as provided in this subsection 4 for the fiscal year beginning July 1, 1992, shall revert on September 30, 1994.

Sec. 9. There is transferred on July 1, 1992, from the fees deposited under section 321G.7 to the fish and game protection fund and appropriated to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the purpose of enforcing snowmobile laws as part of the state snowmobile program administered by the department of natural resources:

..... \$ 100,000

Sec. 10. There is transferred on July 1, 1992, from the fees deposited under section 106.52 to the fish and game protection fund and appropriated to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of administration and enforcement of navigation laws and water safety:

..... \$ 950,000

MISCELLANEOUS

Sec. 11. PREDATOR DAMAGE CONTROL. From moneys appropriated for the fiscal year beginning July 1, 1992, and ending June 30, 1993, to the agricultural experiment station at Iowa state university of science and technology there is transferred to the department of agriculture and land

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stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount to be used for purposes of supporting a predator damage management program:

..... \$ 50,000

The program shall provide for controlling predators, including coyotes which interfere with agricultural production including livestock production. A primary purpose of the program shall be to reduce damages or injury to property involved in farming as defined in section 172C.1. The program shall emphasize the prevention of damage through management techniques which preserve the life and habitat of predators. An animal or an animal's habitat shall not be destroyed only because the animal belongs to a particular species. The department shall cooperate with the department of natural resources. The program shall be conducted in accordance with federal and state law, notwithstanding laws relating to open seasons.

Sec. 12. REAP.

1. Notwithstanding the amount of the standing appropriation from the general fund of the state under section 455A.18, subsection 3, there is appropriated from the general fund of the state, in lieu of the appropriation made in section 455A.18, for the fiscal year beginning July 1, 1992, to the Iowa resources enhancement and protection fund the sum of \$9,944,500, of which all moneys shall be allocated as provided in subsection 2 and section 455A.19.

2. Of the amount appropriated under subsection 1, there is allocated the following amounts to be used for the purposes designated:

a. To the department of natural resources to support the purposes specified pursuant to section 455D.15, subsection 3, paragraph "g":

..... \$ 500,000

b. To the soil conservation division of the department of agriculture and land stewardship to provide state soil and water conservation cost-sharing moneys pursuant to chapter

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467A:

..... \$ 400,000

Sec. 13. STREAM STABILIZATION. There is appropriated from the general fund of the state to the division of soil conservation of the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of participating with local entities including local governments, and with entities receiving federal funding, in developing and installing projects that stabilize degrading stream channels in areas of the state determined by the division to require assistance:

..... \$ 99,445

Sec. 14. LAKE PROJECT. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the purpose of supporting lake preservation efforts at Black Hawk Lake:

..... \$ 397,780

The moneys appropriated under this section shall be allocated by the department to continue lake preservation, including dredging operations, at Black Hawk Lake, located at Lake View, Iowa. Remaining moneys previously designated for Black Hawk Lake under the federal clean lakes program shall be allocated on a matching basis with moneys appropriated under this section for purposes of preserving Black Hawk Lake. The allocation of moneys shall be contingent upon land used as a spoil site for the lake being provided without financial obligation to the state and the active participation of a local entity in preparing the spoil site.

This section shall become effective upon enactment.

Sec. 15. The department of agriculture and land stewardship and the department of natural resources, in

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cooperation as necessary with the department of management and the department of personnel, shall provide a list to the legislative fiscal bureau, on a quarterly basis, of all permanent positions added to or deleted from the departments' table of organization in the previous fiscal quarter. This list shall include at least the position number, salary range, projected funding source or sources of each position, and the reason for the addition or deletion. The legislative fiscal bureau may use this information to assist in the establishment of the full-time equivalent position limits contained in the this Act for the departments.

Sec. 16. The department of revenue and finance in cooperation with the department of agriculture and land stewardship and the department of natural resources shall track receipts to the general fund which have traditionally been deposited into the following funds:

1. The fertilizer fund created in section 200.9.
2. The pesticide fund created in section 206.12.
3. The dairy trade practices trust fund pursuant to section 192A.30.
4. The milk fund created in section 192.111.
5. The commercial feed fund created in section 198.9.
6. The marine fuel tax fund created in section 324.79.
7. The energy research and development fund provided in section 93.11.

The departments designated in this section shall prepare reports detailing revenue from receipts traditionally deposited into each of the funds. A report shall be submitted to the legislative fiscal bureau at least once for each three-month period as designated by the legislative fiscal bureau.

Sec. 17. The department of natural resources shall provide the legislative fiscal bureau information and financial data by cost center, on at least a monthly basis, relating to the indirect cost accounting procedure, the amount of funding from each funding source for each cost center, and the internal budget system used by the department. The information shall

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include but is not limited to financial data covering the department's budget by cost center and funding source prior to the start of the fiscal year, and to the department's actual expenditures by cost center and funding source after the accounting system has been closed for that fiscal year.

Sec. 18. Notwithstanding section 17A.2, subsection 7, paragraph "g", the department of natural resources shall by rule establish prices of plant material grown at the state forest nurseries to cover all expenses related to the growing of the plants.

The department shall develop programs to encourage the wise management and preservation of existing woodlands and shall continue its efforts to encourage forestation and reforestation on private and public lands in the state.

The department shall encourage a cooperative relationship between the state forest nurseries and private nurseries in the state in order to achieve these goals.

Sec. 19. During the fiscal year for which funds are appropriated by sections 6 and 7 of this Act, the department of natural resources shall not require the installation or use of equipment to control the emission of dust or other particulate matter on or by facilities for storage of grain which are located within the ambient air quality attainment areas for suspended particulates.

Sec. 20. ZERO-BASE BUDGET PROPOSAL. The parks and preserves division of the department of natural resources shall submit a zero-base budget proposal for the fiscal year beginning July 1, 1993, and ending June 30, 1994, to the joint appropriations subcommittee on agriculture and natural resources by January 15, 1993.

Sec. 21. CODE EDITOR. The Code editor shall change the name of the waste management authority within the department of natural resources to the waste management assistance division wherever it appears in the Code.

Sec. 22. 1992 Iowa Acts, Senate File 2367, section 201, unnumbered paragraph 2, is amended by striking the paragraph.

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This section, being deemed of immediate importance, takes effect upon enactment.

Sec. 23. Section 93.11, subsection 1, paragraph f, unnumbered paragraph 2, Code Supplement 1991, is amended to read as follows:

Notwithstanding the provisions of this section directing that moneys be deposited into the energy research and development fund, for the fiscal period beginning July 1, 1991, and ending June 30, 1993, all moneys shall be deposited into the general fund of the state. ~~There is appropriated annually from the general fund of the state the sum of one hundred fifty thousand dollars to be used for the purposes of this section.~~

Sec. 24. NEW SECTION. 111.17A PAYMENT IN LIEU OF PROPERTY TAXES. The director of the department of natural resources shall submit a budget request to pay the annual property taxes on property held by the department. The budget request shall be submitted to the general assembly as part of the annual budget proposal provided in section 455A.4. The amount of the payment shall be based on property acquired on or after July 1, 1992, which would otherwise be subject to the levy of property taxes. The assessed value of property held by the department shall be that determined under section 427.1, subsection 31, and the director may protest the assessed value in the manner provided by law for any property owner to protest an assessment. For the purposes of chapter 257, the assessed value of any property which was acquired by the department on or after July 1, 1992, shall be included in the valuation base of the school district and the payments made pursuant to this section shall be considered as property tax revenues and not as miscellaneous income. The county treasurer shall certify the amount of taxes due to the department. The taxes shall be paid annually from the departmental fund or account from which the property acquisition was funded. If the departmental fund or account has no moneys, no longer exists, or if the acquisition of

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property was made without an expenditure of funds by the department, the taxes shall be paid from funds in the manner provided by the general assembly. If the total amount of taxes due, as certified to the department, exceeds the amount available for expenditure under this section, the property taxes due shall be reduced proportionately so that the total amount due equals the amount available for expenditure.

Sec. 25. NEW SECTION. 159.6A CONTRIBUTIONS.

The department may accept contributions, including gifts and grants, in order to carry out and administer the provisions of this chapter. The department shall maintain an itemized accounting of the contributions. At the end of each fiscal year, the department shall prepare a list recognizing private contributors.

Sec. 26. Section 159.20, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

~~An-agricultural-marketing-division-is-created-within-the department.~~ The division department shall perform duties designed to lead to more advantageous marketing of Iowa agricultural commodities. The division department may do any of the following:

Sec. 27. Section 159.20, subsections 5 and 9, Code Supplement 1991, are amended to read as follows:

5. Accumulate and diffuse information concerning the marketing of agricultural commodities in cooperation with persons, agencies, or the federal government. The division department shall establish an agricultural commodity informational data base.

9. Cooperate with the Iowa department of economic development to avoid duplication of efforts between the division department and the agricultural marketing program operated by the Iowa department of economic development.

Sec. 28. Section 159.20, unnumbered paragraph 2, Code Supplement 1991, is amended by striking the paragraph.

Sec. 29. Section 159.22, Code Supplement 1991, is amended to read as follows:

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159.22 GRANTS AND GIFTS OF FUNDS.

The ~~division-may-with-the-approval-of-the~~ secretary may accept grants and allotments of funds from the federal government and enter into co-operative agreements with the United States department of agriculture for projects to effectuate a purpose described in this subchapter. ~~The division-may-accept-grants,-gifts-or-allotments-of-funds-from any-person-for-the-purpose-of-carrying-out-the-provisions-of this-subchapter---if-funds-are-accepted-from-a-person,-the director-shall-prepare-an-itemized-accounting-to-the department-at-the-end-of-each-fiscal-year-~~

Sec. 30. Section 159.23, Code 1991, is amended to read as follows:

159.23 SPECIAL FUND.

All fees collected as a result of the inspection and grading provisions set out herein shall be paid into the state treasury, there to be set aside in a separate fund which is hereby appropriated for the use of the division department except as indicated. Withdrawals therefrom shall be by warrant of the director of revenue and finance upon requisition by the ~~administrator-of-the-division-approved-by~~ the secretary of agriculture. Such fund shall be continued from year to year, provided, however, that if there be any balance remaining at the end of the biennium which, in the opinion of the governor, director of management and secretary of agriculture, is greater than necessary for the proper administration of the inspection and grading program referred to herein, the treasurer of state is hereby authorized on the recommendation and with the approval of the governor, director of management and secretary of agriculture, to transfer to the general fund of the state that portion of such account as they shall deem advisable.

Sec. 31. Section 159.24, Code 1991, is amended to read as follows:

159.24 GRADES OR CLASSIFICATIONS OF FARM PRODUCTS.

A certificate of the grade, or other classification, of any

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farm products issued under ~~this division of~~ this chapter shall be accepted in any court of this state as prima facie evidence of the true grade or classification of such farm products as the same existed at the time of their classification.

Sec. 32. Section 159.37, subsection 1, Code 1991, is amended to read as follows:

1. The department shall establish ~~within the international trade bureau of the marketing division~~ a special quality grains electronic bulletin board system. The system shall be available to any and all buyers and sellers of special quality grains for the purpose of posting the availability of special quality grains, or a demand for special quality grains.

Sec. 33. Section 159A.3, subsection 1, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

An office of renewable fuel is created within the ~~agricultural marketing division of~~ the department and shall be staffed by a coordinator who shall be appointed by the ~~division administrator~~ secretary. It shall be the policy of the office to further renewable fuel activities. The office shall first further renewable fuel activities based on the following considerations:

Sec. 34. Section 199.3, subsection 4, Code 1991, is amended by adding the following ~~new paragraph~~:

NEW PARAGRAPH. g. The last date on which the variety of seed will normally germinate according to standards established by rules adopted by the department.

Sec. 35. Section 199.11, Code 1991, is amended to read as follows:

199.11 AUTHORITY OF SECRETARY-OF-AGRICULTURE THE DEPARTMENT.

1. For the purpose of carrying out the provisions of this chapter, the ~~state secretary of agriculture who may act through authorized agents is hereby authorized and directed~~ department shall do all of the following:

a. ~~To sample~~ Sample, inspect, make ~~analysis of~~ analyze,

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and test agricultural seeds seed other than lawn seed, if the agricultural seed is transported, sold, offered, or exposed for sale within this state for sowing purposes; ~~---The department shall perform these duties~~ at such a time and place and to such an extent as the secretary may deem necessary to determine whether said the agricultural seeds are seed is in compliance with the provisions of this chapter; ~~and to notify~~; ~~The department shall~~ promptly notify the person who transported, sold, offered, or exposed the seed for sale, of any a violation.

b. ~~To prescribe and after public hearing following due public notice to adopt~~ Adopt rules and regulations governing the methods of sampling, inspecting, analysis tests analyzing, testing, and examination of examining agricultural seed and the other than lawn seed. The rules shall include tolerances to be followed in the administration of this chapter, which shall be in general accord with officially prescribed practice in interstate commerce under the federal seed Act and such other rules and or regulations as may be necessary to secure for the efficient enforcement of this chapter.

2. ~~Further for~~ For the purpose of carrying out the provisions of this chapter, the state secretary of agriculture, individually or through authorized agents, is authorized and directed department may:

a. ~~To enter~~ Enter upon any public or private premises during regular business hours in order to have access to seeds commercial seed other than lawn seed, subject to this chapter and the departmental rules and regulations thereunder.

b. ~~To issue~~ Issue and enforce a written or printed "stop sale" order to the owner or custodian of any lot of agricultural seed other than lawn seed which the state secretary of agriculture or the secretary's authorized agents believe department believes is in violation of any of the provisions of this chapter which or departmental rules. The order shall prohibit further sale of such the seed until such

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~~officer the department has evidence that the law has been complied with, provided, that of compliance. However, the owner or custodian of such the seed shall be permitted to remove said the seed from a salesroom open to the public, provided further, that in respect to seeds which have been denied sale as provided in this subsection, judicial~~
Judicial review of the order may be sought in accordance with ~~the terms of the Iowa administrative procedure Act chapter 17A. Notwithstanding the terms of said Act~~ However, ~~notwithstanding chapter 17A,~~ petitions for judicial review may be filed in the district court, ~~and provided further, that the provisions of this~~ ~~--This subsection shall~~ does not be construed as limiting limit the right of the enforcement officer department to proceed as authorized by other sections of this chapter.

c. ~~To establish~~ Establish and maintain or make provision for seed testing facilities essential to the enforcement of this chapter, ~~to~~ ~~--The department may~~ employ qualified persons, and to incur such expenses ~~as may be necessary~~ to comply with these provisions.

d. ~~To co-operate~~ Cooperate with the United States department of agriculture in seed law enforcement.

Sec. 36. Section 214.3, subsection 1, Code 1991, is amended to read as follows:

1. The license for inspection of a commercial weighing and measuring device shall expire on December 31 of each year, and for a motor vehicle fuel pump on June 30 of each year. The amount of the fee due for each license shall be as provided in subsection 3, except that the fee for a motor vehicle fuel pump shall be three four dollars and fifty cents if paid within one month from the date the license is due.

Sec. 37. Section 214.3, subsection 3, paragraphs a through e, Code 1991, are amended to read as follows:

a. Class S-IIIL.

(1) Railroad track scales, seventy-one one hundred six dollars and fifty cents.

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(2) Other scales.

(a) 500 to 1,000 pounds capacity, eleven sixteen dollars and fifty cents.

(b) 1,001 to 30,000 pounds capacity, twenty-one thirty-one dollars and fifty cents.

(c) 30,001 to 50,000 pounds capacity, forty-one sixty-one dollars and fifty cents.

(d) 50,001 pounds capacity or more, fifty-six eighty-four dollars.

(3) A minimum fee of thirty-one forty-six dollars and fifty cents shall be charged for each vehicle or livestock scale.

b. Class S-II and S-III, six nine dollars.

(1) Bench scale, six nine dollars.

(2) Counter scale, six nine dollars.

(3) Portable platform scale, six nine dollars.

(4) Livestock monorail scale, six nine dollars.

(5) Single animal scale, six nine dollars.

(6) Grain test scale, six nine dollars.

(7) Precious metal and gems scale, six nine dollars.

(8) Postal scale, six nine dollars.

c. (1) Grain moisture meters, sixteen twenty-four dollars.

(2) Additional meters at the same location, eleven sixteen dollars and fifty cents.

d. Class M-I. One hundred-gallon prover.

(1) Bulk meters, six nine dollars.

(2) Bulk liquid petroleum gas meters, thirty-five fifty-two dollars and fifty cents.

(3) Bulk refined fuel meters, six nine dollars.

(4) Mass flow meters, six nine dollars.

e. Class M-II. Five-gallon prover.

(1) Slow flow meters, six nine dollars.

(2) Retail motor vehicle fuel pump, six nine dollars.

Sec. 38. Section 215.2, subsections 1 and 2, Code 1991, are amended to read as follows:

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- 1. Class S, scales, fifty seventy-five dollars per hour.
- 2. Class M, meters, thirty-five fifty-two dollars and fifty cents per hour.

Sec. 39. Section 215.17, Code 1991, is amended to read as follows:

215.17 TEST WEIGHTS TO BE USED.

Any A person~~, firm or corporation~~ engaged in scale repair work for hire shall use only test weights sealed by the department in determining the effectiveness of repair work and ~~said~~ the test weights shall be sealed as to their accuracy once each year. ~~Provided, however, that it shall be unlawful for such~~ However, a person to shall not claim to be an official scale inspector ~~or to~~ and shall not use ~~said the~~ test weights except to determine the accuracy of scale repair work done by the person and the person shall not be entitled to ~~no~~ a fee for their use. A fee shall be charged and collected at time of inspection for the inspection of such weights as follows:

All weights up to and including 25 pounds ... \$ ~~75~~ 1.10 each
~~All-weights~~

Over twenty-five pounds capacity,

up to and including 50 pounds ~~1-50~~ 2.25 each

Over 50 pounds capacity, up to and including 100 pounds ~~2-00~~ 3.00 each

Over 100 pounds capacity, up to and including 500 pounds ~~3-00~~ 4.50 each

Over 500 pounds capacity, up to and including 1,000 pounds ~~5-00~~ 7.50 each

The fee for all tank calibrations shall be as follows:

100 gallons up to and including 300 gallons \$ ~~3-00~~ 4.50

301 gallons up to and including 500 gallons ~~5-00~~ 7.50

501 gallons up to and including 1,000 gallons ~~7-50~~ 11.25

1,001 gallons up to and including 2,000

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gallons	10-00	<u>15.00</u>
2,001 gallons up to and including 3,000 gallons	12-00	<u>18.00</u>
3,001 gallons up to and including 4,000 gallons	14-00	<u>21.00</u>
4,001 gallons up to and including 5,000 gallons	16-00	<u>24.00</u>
5,001 gallons up to and including 6,000 gallons	18-00	<u>27.00</u>
6,001 gallons up to and including 7,000 gallons	20-00	<u>30.00</u>
7,001 gallons and up	25-00	<u>37.50</u>

~~No-calibration-will~~ Calibration shall not be required of any a tank which is not used for the purpose of measuring, or which is equipped with a meter, ~~nor-shall~~ and vehicle tanks loaded from meters and carrying a printed ticket showing gallonage shall not be required to be calibrated.

Sec. 40. Section 215A.9, unnumbered paragraph 2, Code 1991, is amended to read as follows:

A fee of ~~ten~~ fifteen dollars shall be charged for each device subject to reinspection under section 215A.5. All moneys received by the department under the provisions of this chapter shall be handled in the same manner as "repayment receipts" as defined in chapter 8, and shall be used for the administration and enforcement of the provisions of this chapter.

Sec. 41. Section 423.24, subsection 1, paragraph b, as enacted by 1992 Iowa Acts, House File 2456, section 6, is amended to read as follows:

b. Beginning on July 1, 1993, three and one-half percent of the remaining revenue, not to exceed one million dollars per quarter, derived from the use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected pursuant to section 423.7, shall be deposited in the ethanol production incentive account of the renewable fuel fund created in section 159A.7. Moneys deposited according to

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this paragraph are a continuing appropriation for expenditure under section 159A.8. Moneys deposited during a state fiscal year to the ethanol production incentive account which remain unobligated and unencumbered on July 31 of the following state fiscal year shall be credited to the road use tax fund as provided in this section.

Sec. 42. Section 455A.5, subsection 6, Code Supplement 1991, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. Approve or disapprove proposals involving the dredging or renovation of lakes; the acquisition, development, and maintenance of boating facilities; and the acquisition, development, and maintenance of recreational facilities associated with recreational boating.

Sec. 43. Section 455A.6, subsection 6, paragraph d, Code Supplement 1991, is amended to read as follows:

d. Approve the budget request prepared by the director for the programs authorized by chapters 455B, 455C, 455E, and 455F. The commission shall approve the budget request prepared by the director for programs administered by the energy and geological resources division, ~~the coordination and information division,~~ the administrative services division, and the office of the director, as provided in section 455A.7. The commission may increase, decrease, or strike any item within the department budget request for the specified programs before granting approval.

Sec. 44. Section 455A.7, subsection 1, paragraph f, Code Supplement 1991, is amended by striking the paragraph.

Sec. 45. Section 455A.7, subsection 1, paragraph j, Code Supplement 1991, is amended to read as follows:

j. Office of the director which has responsibilities for administering the department, including information dissemination, education, and government liaison services.

Sec. 46. Section 455B.103A, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The enforcement provisions of division

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III, part of this chapter, apply to general permits for stormwater discharge.

Sec. 47. Section 455B.310, subsection 2, paragraph b, subparagraph (5), Code Supplement 1991, is amended to read as follows:

(5) Five cents per ton per year is appropriated to the department of economic development to establish, in cooperation with the department of natural resources, a marketing initiative to assist Iowa businesses producing recycling or reclamation equipment or services, recyclable products, or products from recycled materials to expand into national markets. Efforts shall include the reuse and recycling of sawdust. For the each fiscal year beginning July 1, 1991, and ending June 30, 1992, and beginning July 1, 1992, and ending June 30, 1993, fifty thousand dollars of the moneys appropriated under this subparagraph shall be allocated for the purposes of developing advanced microbiological technologies for reduction, destruction, or disposal of wet solid waste. For the each fiscal year beginning July 1, 1992 1993, and thereafter, fifty thousand dollars of the moneys appropriated under this subparagraph shall be used by the department of economic development to provide grants or loans to Iowa businesses which have participated in the waste reduction assistance program of the department of natural resources or the program provided by the waste reduction center at the university of northern Iowa, and which have identified needs for equipment or retooling to achieve waste reduction.

Sec. 48. NEW SECTION. 455B.601 PESTICIDE AND FERTILIZER CONTAMINATED AGRICULTURAL CHEMICAL DEALER SITES -- PRIORITIZATION OF CLEANUP.

1. The commission shall adopt rules to establish criteria for the classification and prioritization of sites upon which contamination has been discovered.

a. For purposes of this section:

(1) "Action level" means action level as defined in 567

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IAC 133.2, adopted as of a specific date by rule of the department.

(2) "Contamination" means the presence of one or more pesticides, as defined in section 206.2, or the presence of fertilizer, as defined in section 200.3, in soil or groundwater at levels above those that would result at normal field application rates or above background levels.

(3) "Contaminated site" means a site upon which contamination has been discovered.

(4) "Responsible person" means responsible person as defined in 567 IAC 133.2, adopted as of a specific date by rule of the department.

b. A contaminated site shall be classified as either high, medium, or low priority.

(1) A site shall be considered high priority under any of the following conditions:

(a) Groundwater contamination exceeds action levels and is affecting or likely to affect groundwater used as a drinking water source.

(b) Contamination is affecting or likely to affect surface water bodies to a level which exceeds surface water quality standards under section 455B.173.

(c) Contamination is discovered in an ecologically sensitive area. An ecologically sensitive area is one which is designated by the department.

(2) A site shall be considered medium priority if contamination of groundwater exceeds action levels, but does not meet the criteria for classification as a high priority site.

(3) A site shall be considered low priority under any of the following conditions:

(a) If soil contamination exists at the site, but no groundwater contamination exists at the site.

(b) If soil contamination exists and groundwater contamination has been discovered, but is below action levels.

(4) A site shall be reclassified as a site with a higher

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or lower classification when the site falls within a higher or lower classification as established under this paragraph.

c. An initial site plan shall be developed by the responsible person and approved by the department for each site upon which contamination has been discovered. The site plan shall include all of the following:

(1) A determination as to the extent of the existing soil, groundwater, or surface water contamination.

(2) The proximity of the contamination and the likelihood that the contamination will affect a drinking water well.

(3) The characteristics of the site and the potential for migration of the contamination.

(4) A recommendation as to whether the site should be classified as a high, medium, or low priority site.

(5) If a site is classified as a high or medium priority site, further investigation shall be conducted to determine the extent of the remediation which should be conducted on the site.

d. The corrective action response requirements for high, medium, or low priority sites shall be administered in accordance with the following:

(1) Soils and groundwaters on a high priority site shall be actively remediated, where technically feasible, until such time as the groundwater contamination levels are below action levels.

(2) Remediation on a medium priority site shall include either monitoring or active or passive remediation and shall be determined by the department on a site-by-site basis based upon the findings of the site plan. Remediation on a medium priority site shall include at least that which would be required on a low priority site.

(3) (a) Active soil remediation shall be required on a low priority site if remediation would be more practical and cost-effective than monitoring.

(b) If active soil remediation on a low priority site is undertaken, no further action shall be required on the site.

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(c) If active soil remediation is not undertaken on a low priority site, a site shall be monitored, for a specified period of time as determined by the department.

2. This section is applicable to all sites upon which contamination has been discovered, unless corrective action on a site has already been approved and implemented.

3. Application of contaminated groundwaters and soils on land upon which the contaminants have been applied in accordance with department rules shall not exceed a level which would preclude the resumption of normal farming practices within a two-year period.

4. This section does not affect the ability of the department or the United States environmental protection agency to require monitoring or remediation on sites that are placed on the national priorities list pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act.

Sec. 49. Section 467A.7, subsections 17 and 19, Code 1991, are amended by striking the subsections.

Sec. 50. Section 467A.43, unnumbered paragraph 2, as enacted in 1992 Iowa Acts, House File 2343, section 4, is amended to read as follows:

A landowner shall not be liable for a claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent installation, construction, or reconstruction of a soil and water construction conservation practice or an erosion control practice that was installed, constructed, or reconstructed in accordance with generally recognized engineering or safety standards, criteria, or design theory in existence at the time of the installation, construction, or reconstruction. A soil and water conservation practice or an erosion control practice installed, constructed, or reconstructed in compliance with rules adopted by the division and currently in effect shall be deemed to be installed, constructed, or reconstructed according to generally recognized engineering or safety

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standards, criteria, or design theory in existence at the time of the installation, construction, or reconstruction. A claim shall not be allowed for failure to upgrade, improve, or alter any aspect of an existing soil and water conservation practice or erosion control practice to a new, changed, or altered design standard. This section does not apply to a claim based on a failure of a landowner to upgrade, improve, or alter a soil and water conservation practice or erosion control practice in violation of law. This section does not apply to claims based upon gross negligence.

Sec. 51. Section 467A.73, subsection 1, paragraph b, as enacted by 1992 Iowa Acts, House File 2343, section 8, is amended to read as follows:

b. The allocation of moneys as financial incentives provided for the purpose of establishing management practices to control soil erosion on land that is row cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping. The division shall by rule establish limits on the amount of incentives which shall be authorized for payment to landowners upon establishment of the practice.

Sec. 52. Section 467A.73, subsection 2, paragraph a, as enacted in House File 2343 by the Seventy-fourth General Assembly, is amended to read as follows:

a. The allocation of cost-share moneys as financial incentives under a special agreement with owners of land in the district who promise to adopt a watershed conservation plan as provided by rules which shall be adopted by the division. The watershed conservation plan shall be in conjunction with ~~the-district-soil-and-water-resource conservation-plan-provided-under-section-467A:7~~ the owners' respective farm unit soil conservation plans. The funding agreement must provide for the funding of a project which ~~shall-include~~ includes five or more contiguous farm units which have at least five hundred acres of agricultural land and which constitutes at least seventy-five percent of the

agricultural land located within a watershed or subwatershed. The financial incentives shall not exceed sixty percent of the estimated cost of the project as determined by the commissioners or sixty percent of the actual cost, whichever is less.

Sec. 53. Section 467A.74, subsection 1, paragraph a, as enacted in House File 2343 by the Seventy-fourth General Assembly, is amended to read as follows:

a. The financial incentives shall not exceed more than fifty percent of the estimated cost of establishing the practices as determined by the commissioners, or fifty percent of the actual cost of establishing the practices, whichever is less. However, the commissioners may allocate an amount determined by the division committee for management of soil and water conservation practices, except as otherwise provided regarding land classified as agricultural land under conservation cover.

Sec. 54. Section 467A.74, subsection 2, as enacted in House File 2343 by the Seventy-fourth General Assembly, is amended to read as follows:

2. The committee shall review requirements of this section once each year. The division committee may authorize commissioners in districts to condition the establishment of a mandatory soil and water conservation practice in a specific case on a higher proportion of public cost-sharing than is required by this section. The commissioners shall determine the amount of cost-sharing moneys allocated to establish a specific soil and water conservation practice in accordance with an administrative order issued pursuant to section 467A.47 by considering the extent to which the practice will contribute benefits to the individual owner or occupant of the land on which the practice is to be established.

Sec. 55. Section 542.1, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 10. "Good cause" means that the department has cause to believe that the net worth or current

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asset to current liability ratio of a grain dealer presents a danger to sellers with whom the grain dealer does business, based on evidence of any of the following:

a. The making of a payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution refuses payment on the instrument because of insufficient funds in a grain dealer's account.

b. A violation of recordkeeping requirements provided in this chapter or rules adopted pursuant to this chapter by the department.

c. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on a statistical model provided in section 542.22.

Sec. 56. Section 542.3, subsection 4, paragraph b, Code 1991, is amended to read as follows:

b. The grain dealer shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a grain dealer submit more than one such unqualified opinion per year. The grain dealer, except as provided in section 542.15, may elect ~~to~~ submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant

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licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or evidence of violations of recordkeeping requirements. -- If a grain dealer making the election engages in credit sale contracts, the grain dealer shall also comply with the provisions of section 542.15, subsection 8.

Sec. 57. Section 542.3, subsection 5, paragraph b, Code 1991, is amended to read as follows:

b. The grain dealer shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a grain dealer submit more than one such unqualified opinion per year. The grain dealer may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset to current liability ratio of a licensee

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presents-a-danger-to-producers-or-sellers-with-whom-the licensee-deals. "Good-cause"-means-that-the-department-has evidence-that-the-licensee-issued-checks-on-insufficient funds,-evidence-of-a-quality-or-quantity-shortage-in-a warehouse-facility,-or-evidence-of-violations-of-recordkeeping requirements.--If-a-grain-dealer-making-the-election-engages in-credit-sale-contracts,-the-grain-dealer-shall-also-comply with-the-provisions-of-section-542.157-subsection-8.

Sec. 58. Section 542.5, unnumbered paragraph 1, Code 1991, is amended to read as follows:

Upon the filing of the application and compliance with the terms and conditions of this chapter and rules of the department, the department shall issue a license to the applicant. The license shall terminate on at the thirtieth of June of each year end of the third calendar month following the close of the grain dealer's fiscal year. A grain dealer's license may be renewed annually by the filing of a renewal fee and a renewal application on a form prescribed by the department. An application for renewal shall be received by the department on or before the thirtieth of June end of the third calendar month following the close of the grain dealer's fiscal year. A grain dealer license which has terminated may be reinstated by the department upon receipt of a proper renewal application, the renewal fee, and the reinstatement fee as provided in section 542.6 if filed within thirty days from the date of termination of the grain dealer license. The department may cancel a license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter. Fees for licenses issued for less than a full year shall be prorated from the date of the application.

Sec. 59. Section 542.6, subsection 1, Code 1991, is amended to read as follows:

1. For the issuance or renewal of a license for-a-grain dealer required under section 542.3, and for any inspection of a grain dealer, the fee shall be determined on the basis of

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dollar-volume-of all bushels of grain purchased during the grain dealer's previous calendar fiscal year as follows according to the grain dealer's financial statement required in section 542.3. The fee shall be calculated according to the following schedule:

a. If the total number of bushels purchased is one-hundred thirty-five thousand dollars or less, the license fee is forty sixty-six dollars and the inspection fee is fifty eighty-three dollars.

b. If the total number of bushels purchased is more than one-hundred thirty-five thousand dollars, but not more than seven two hundred fifty thousand dollars, the license fee is seventy one hundred sixteen dollars and the inspection fee is seventy-five one hundred twenty-five dollars.

c. If the total number of bushels purchased is more than seven two hundred fifty thousand dollars, but not more than one-million five hundred thousand dollars, the license fee is one hundred sixty-six dollars and the inspection fee is one hundred fifteen ninety-one dollars.

d. If the total number of bushels purchased is more than one-million five hundred thousand dollars, but not more than three one million dollars, the license fee is one two hundred seventy-five ninety-one dollars and the inspection fee is one two hundred fifty forty-nine dollars.

e. If the total number of bushels purchased is more than three one million dollars, but not more than four one million seven eight hundred fifty thousand dollars, the license fee is three four hundred ninety-eight dollars and the inspection fee is one three hundred eighty-five seven dollars.

f. If the total number of bushels purchased is more than four one million seven eight hundred fifty thousand dollars, but not more than nine three million five two hundred thousand dollars, the license fee is four seven hundred twenty-five six dollars and the inspection fee is two three hundred twenty-five seventy-four dollars.

g. If the total number of bushels purchased is more than

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nine three million five two hundred thousand dollars, the license fee is five nine hundred seventy-five fifty-five dollars and the inspection fee is two four hundred sixty-five forty dollars.

If the applicant did not purchase grain in the applicant's previous ~~calendar~~ fiscal year, the applicant ~~will~~ shall pay the fee specified in paragraph "a". If during the ~~license~~ period licensee's fiscal year the ~~total~~ number of bushels of grain actually purchased exceeds one-hundred thirty-five thousand dollars, the licensee shall notify the department and the license and inspection fee shall be adjusted accordingly. Subsequent adjustments shall be made as necessary. An applicant may elect licensing in any category of this subsection. New Fees for new licenses issued for less than a full year shall be prorated from the date of application.

Sec. 60. Section 542.9, unnumbered paragraph 1, Code 1991, is amended to read as follows:

The department may inspect the premises used by any grain dealer in the conduct of the dealer's business at any time, and the books, accounts, records, and papers of every grain dealer which pertain to grain purchases are subject to inspection by the department during ordinary business hours. The department shall cause the business premises and books, accounts, records, and papers of every grain dealer to be inspected not-less-than at least once during each twelve-month eighteen-month period,--but-not-more-than-four-times-in-a twenty-four-month-period without good-cause justification. The department shall prioritize inspections based on the system provided in section 542.22. The department may use a risk rating produced by a statistical model provided in section 542.22 as justification to conduct an inspection. The transporter of grain in transit shall possess bills of lading or other documents covering the grain, and shall present them to any law enforcement officer or to a person designated as an enforcement officer under section 542.13 on demand. If there is good-cause justification to believe that a person is

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engaged without a license in the business of a grain dealer in this state, the department may inspect the books, papers, and records of the person which pertain to grain purchases.

Sec. 61. Section 542.11, subsection 4, Code 1991, is amended to read as follows:

4. A person in violation of this chapter, or a in violation of chapter 714 or 715A involving, which violation involves the business of a grain dealer, is subject to prosecution by the county attorney in the county where the business is located. However, if the county attorney fails to initiate prosecution within thirty days and upon request by the department, the attorney general may initiate and carry out the prosecution in cooperation, if possible, with the county attorney. The person in violation may be restrained by an injunction in an action brought by the department or the attorney general upon request by the department.

Sec. 62. NEW SECTION. 542.12A LIEN ON GRAIN DEALER ASSETS.

1. A statutory lien is imposed on all grain dealer' assets in favor of sellers who have surrendered warehouse receipts or other written evidence of ownership as part of a grain sale transaction or who possess written evidence of the sale of grain to a grain dealer, without receiving full payment for the grain.

2. "Grain dealer assets" includes proceeds received or due a grain dealer upon the sale, including exchange, collection, or other disposition, of grain sold by the grain dealer. As used in this section, "proceeds" means noncash and cash proceeds as provided in section 554.9306. "Grain dealer assets" also includes any other funds or property of the grain dealer which can be directly traced as being from the sale of grain by the grain dealer, or which were utilized in the business operation of the grain dealer. A court, upon petition by an affected party, may order that claimed grain dealer assets are not grain dealer assets as defined in this section. The burden of proof shall be upon the petitioner to

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establish that the assets are not grain dealer assets as defined in this section.

3. The lien shall arise at the time of surrender of warehouse receipts or other written evidence of ownership as part of a grain sale transaction or the time of delivery of the grain for sale, and shall terminate when the liability of the grain dealer to the seller has been discharged. The lien of all sellers is hereby assigned to the Iowa grain indemnity fund board, on behalf of the grain depositors and sellers indemnity fund.

4. To perfect the lien, the Iowa grain indemnity fund board must file a lien statement with the office of the secretary of state. The lien statement is valid only if filed on or after the date of suspension but not later than sixty days after the incurrence date as provided in section 543A.6. The lien statement shall disclose the name of the grain dealer, the address of the dealer's principal place of business, a description of identifiable grain dealer assets, and the amount of the lien. The lien amount shall be the board's estimate of the final cost of reimbursing the grain depositors and sellers indemnity fund for the payment of claims against the fund resulting from the breach of the grain dealer's obligations. The board shall correct the amount not later than one hundred eighty days following the incurrence date. A court, upon petition by an affected person, may correct the amount. The board shall have the burden of proving that the amount is an accurate estimate.

5. The Iowa grain indemnity fund board shall upon written demand of the grain dealer file a termination statement with the secretary of state, if the license of the grain dealer is not revoked, terminated, or canceled after one hundred eighty days from the date that the lien is perfected. Upon filing the termination statement, the lien becomes unperfected. The board shall also deliver a copy of the termination statement to the grain dealer.

6. The secretary of state shall note the filing of a lien

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statement under this section in a manner provided by chapter 554, the uniform commercial code. The secretary shall note the filing of a termination statement with the lien statement.

7. A lien statement filed under this section shall be a security interest perfected under chapter 554 and subject to the same priority as provided under section 554.9312.

8. If the grain dealer is also licensed under chapter 543, and in the event the department is appointed as a receiver under section 543.3, assets under the authority of the receiver are free from this statutory lien. However, if there are receivership assets in excess of those necessary to fully reimburse depositors, the perfected lien will attach to those excess assets.

9. The board may enforce the lien in the manner provided in chapter 554, article 9, part 5, for the enforcement of security interests. If, upon enforcement of the lien, the lien amount is satisfied in full without exhaustion of the grain dealer assets, the remaining assets shall be returned to the grain dealer or, if there are competing claims to those remaining assets by other creditors, shall place those assets in the custody of the district court and implead the known creditors.

For purposes of enforcement of the lien, the board is deemed to be the secured party and the grain dealer is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 5. If a right or duty under chapter 554, article 9, part 5, is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this section.

10. Actions relating to this section shall be brought in the district court in the county in which the grain dealer's primary place of business is located or in Polk county.

Sec. 63. Section 542.15, subsection 7, Code 1991, is

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amended by striking the subsection and inserting in lieu thereof the following:

7. a. A grain dealer shall not purchase grain on credit-sale contract during any time period in which the grain dealer fails to maintain fifty cents of net worth for each outstanding bushel of grain purchased under credit. The grain dealer may maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of deficiency in net worth.

b. A grain dealer holding a federal or state warehouse license who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture shall not purchase grain on credit-sale contract to correct the shortage of grain.

c. A grain dealer must meet at least either of the following conditions:

(1) The grain dealer's last financial statement required to be submitted to the department pursuant to section 542.3 is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state.

(2) The grain dealer files a bond with the department in the amount of one hundred thousand dollars payable to the department. The bond shall be used to indemnify sellers for losses resulting from a breach of a credit-sale contract as provided by rules adopted by the department. The rules shall include, but are not limited to, procedures and criteria for providing notice, filing claims, valuing losses, and paying claims. The bond provided in this paragraph shall be in addition to any other bond required in this chapter.

A bond filed with the department under this paragraph shall not be canceled by the issuer on less than ninety days notice by certified mail to the department and the principal. When the department receives notice from an issuer that it has

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canceled the bond, the department shall automatically suspend the grain dealer's license if a replacement bond is not received by the department within sixty days of the issuance of the notice of cancellation. The department shall cause an inspection of the licensed grain dealer immediately at the end of the sixty-day period. If a replacement bond is not filed within another thirty days following the suspension, the grain dealer license shall be automatically revoked. When a license is revoked, the department shall provide notice of the revocation by ordinary mail to the last known address of each holder of an outstanding credit-sale contract and all known sellers.

Sec. 64. Section 542.15, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. The department may adopt rules to suspend the right of a grain dealer to purchase grain by credit-sale contract based on any of the following conditions:

a. The grain dealer holding a federal or state warehouse license does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture.

b. The grain dealer holding a state or federal warehouse license issues back to the grain dealer a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased on credit and is unpaid for by the grain dealer.

c. The grain dealer fails to maintain requirements relating to net worth or fails to maintain a ratio of current assets to current liabilities, as required in section 542.3.

d. The grain dealer violates this section.

e. The grain dealer's total liabilities are greater than seventy-five percent of the grain dealer's total assets.

f. The grain dealer has made payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution

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refuses payment on the instrument because of insufficient funds in a grain dealer's account.

g. The department discovers that a grain dealer has delayed payment for grain purchased since the department last inspected the grain dealer pursuant to section 542.9.

Sec. 65. NEW SECTION. 542.22 PRIORITIZATION OF INSPECTIONS OF GRAIN DEALERS.

The department shall develop a system to prioritize the inspections of grain dealers provided in section 542.9. The system of prioritization shall be computed each year based on the risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer. The department shall compute the risk by utilizing an available statistical model to measure the financial condition of grain dealers, and especially grain dealers who execute credit-sale contracts. Procedures for utilizing the statistical model shall be adopted by department rules. The statistical model shall be used to provide risk ratings. A risk rating shall be used as a factor by the department to prioritize its inspection schedule. The department may use a risk rating produced by the statistical model as justification to inspect the grain dealer at any time. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on the statistical model shall be good cause.

Sec. 66. Section 543.1, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. "Good cause" means that the department has cause to believe that the net worth or current asset to current liability ratio of a warehouse operator presents a danger to depositors with whom the warehouse operator does business, based on evidence of any of the following:

a. The making of a payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution

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refuses payment on the instrument because of insufficient funds in the warehouse operator's account.

b. A violation of recordkeeping requirements provided in this chapter or rules adopted pursuant to this chapter by the department.

c. A quality or quantity shortage in the warehouse facility.

d. A high risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on a statistical model provided in section 543.40.

Sec. 67. Section 543.2, unnumbered paragraph 1, Code 1991, is amended to read as follows:

The department may exercise general supervision over the storage, warehousing, classifying according to grade or otherwise, weighing, and certification of agricultural products. The department may inspect or cause to be inspected any warehouse. Inspections may be made at times and for purposes as the department determines. Except as provided in section 543.6, the department shall cause every licensed warehouse and its contents to be inspected once in every twelve-month period. The department shall prioritize inspections based on the system provided in section 543.40.

The department may require the filing of reports relating to a warehouse or its operation. If upon inspection a deficiency is found to exist as to the quantity or quality of agricultural products stored, as indicated on the warehouse operator's books and records according to official grain standards, the department may require an employee of the department to remain at the licensed warehouse and supervise all operations involving agricultural products stored there under this chapter until the deficiency is corrected. The charge for the cost of maintaining an employee of the department at a warehouse to supervise the correction of a deficiency is one hundred fifty dollars per day.

Sec. 68. Section 543.4, subsection 6, Code 1991, is

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amended to read as follows:

6. The department is entitled to reimbursement out of commodities or proceeds held in receivership for all expenses incurred as court costs or in handling and disposing of stored commodities, and for all other costs directly attributable to the receivership. The right of reimbursement of the department is prior to any claims against the commodities or proceeds of sales of commodities, and constitutes a claim against a deficiency bond or irrevocable letter of credit. Notwithstanding section 8.33, the reimbursement amount received by the department in a fiscal year shall not revert unless unobligated or unencumbered on June 30 of the following fiscal year.

Sec. 69. Section 543.6, subsection 4, paragraph b, Code 1991, is amended to read as follows:

b. The warehouse operator shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a warehouse operator submit more than one such unqualified opinion per year. The warehouse operator may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good

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cause to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or evidence of violations of recordkeeping requirements.

Sec. 70. Section 543.6, subsection 5, paragraph b, Code 1991, is amended to read as follows:

b. The warehouse operator shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a warehouse operator submit more than one such unqualified opinion per year. The warehouse operator may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or

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~~evidence-of-violations-of-recordkeeping-requirements-~~

Sec. 71. NEW SECTION. 543.12A LIEN ON WAREHOUSE OPERATOR ASSETS.

1. A statutory lien is imposed on all warehouse operator assets in favor of depositors possessing warehouse receipts covering grain stored by the warehouse operator and depositors with written evidence of ownership other than warehouse receipts disclosing a storage obligation of a warehouse operator.

2. "Warehouse operator assets" includes proceeds received or due a warehouse operator upon the sale, including exchange, collection, or other disposition, of grain sold by the warehouse operator. As used in this section, "proceeds" means noncash and cash proceeds as provided in section 554.9306. "Warehouse operator assets" also includes storage payments received or due to a warehouse operator, grain owned by the warehouse operator, and any other funds or property of the warehouse operator which can be directly traced as being from the sale of grain by the warehouse operator, or which were utilized in the business operation of the warehouse operator. A court, upon petition by an affected party, may order that claimed warehouse operator assets are not warehouse operator assets as defined in this section. The burden of proof shall be upon the petitioner to establish that the assets are not warehouse operator assets as defined in this section.

3. The lien shall arise at the commencement of the storage obligation, and shall terminate when the liability of the warehouse operator to the depositor has been discharged. The lien of all depositors is hereby assigned to the Iowa grain indemnity fund board, on behalf of the grain depositors and sellers indemnity fund.

4. To perfect the lien, the Iowa grain indemnity fund board must file a lien statement with the office of the secretary of state. The lien statement is valid only if filed on or after the date of suspension but not later than sixty days after the incurrence date as provided in section 543A.6.

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The lien statement shall disclose the name of the warehouse operator, the address of the warehouse operator's principal place of business, a description of identifiable warehouse operator assets, and the amount of the lien. The lien amount shall be the board's estimate of the final cost of reimbursing the grain depositors and sellers indemnity fund for the payment of claims made against the fund resulting from the breach of the warehouse operator's obligations. The board shall correct the amount not later than one hundred eighty days following the incurrence date. A court, upon petition by an affected person, may correct the amount. The board shall have the burden of proving that the amount is an accurate estimate.

5. The Iowa grain indemnity fund board shall upon written demand of the warehouse operator file a termination statement with the secretary of state, if the license of the warehouse operator is not revoked, terminated, or canceled after one hundred eighty days from the date that the lien is perfected. Upon filing the termination statement, the lien becomes unperfected. The board shall also deliver a copy of the termination statement to the warehouse operator.

6. The secretary of state shall note the filing of a lien statement under this section in a manner provided by chapter 554, the uniform commercial code. The secretary shall note the filing of a termination statement with the lien statement.

7. A lien statement filed under this section shall be a security interest perfected under chapter 554 and subject to the same priority as provided under section 554.9312.

8. In the event the department is appointed as a receiver under section 543.3, assets under the authority of the receiver are free from this statutory lien. However, if there are receivership assets in excess of those necessary to fully reimburse depositors, the perfected lien will attach to those excess assets.

9. The Iowa grain indemnity fund board may enforce the lien in the manner provided in chapter 554, article 9, part 5,

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for the enforcement of security interests. If, upon enforcement of the lien, the lien amount is satisfied in full without exhaustion of the warehouse operator assets, the remaining assets shall be returned to the warehouse operator or, if there are competing claims to those remaining assets by other creditors, those assets shall be placed in the custody of the district court and the known creditors impleaded.

For purposes of enforcement of the lien, the board is deemed to be the secured party and the warehouse operator is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 5. If a right or duty under chapter 554, article 9, part 5, is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this section.

10. Actions relating to this section shall be brought in the district court in the county in which the warehouse operator's primary place of business is located or in Polk county.

Sec. 72. Section 543.17, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. A licensed warehouse operator who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department shall not purchase grain on credit-sale contract to correct the shortage of grain. A licensed warehouse operator shall not issue a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased by credit-sale contract and is unpaid for by the warehouse operator.

Sec. 73. Section 543.17, subsection 7, Code 1991, is amended to read as follows:

7. Every licensed warehouse operator shall, on or before

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July 1 of each year, send a statement for each holder of a warehouse receipt covering grain held for more than one year at that warehouse to the holder's last known address. The statement shall show the amount of all grain held pursuant to warehouse receipt for such warehouse receipt holder and the amount of any storage charges held by the licensed warehouse operator against that grain. However, a licensed warehouse operator need not prepare this annual statement for a holder of a warehouse receipt, if the licensed warehouse operator prepares such statements monthly, quarterly or for any other period more frequent than annually. ~~Failure~~ The failure to prepare a statement required by this subsection is a simple misdemeanor.

PARAGRAPH DIVIDED. Violation of this section shall not constitute grounds for suspension, revocation, or modification of the license of anyone licensed under this chapter.

Sec. 74. Section 543.33, subsection 1, paragraphs a through g, Code 1991, are amended to read as follows:

- a. If the total storage capacity is one hundred thousand bushels or less, the fee is ~~thirty-five~~ fifty-eight dollars.
- b. If the total storage capacity is more than one hundred thousand bushels, but not more than seven hundred fifty thousand bushels, the fee is ~~seventy-five~~ one hundred twenty-five dollars.
- c. If the total storage capacity is more than seven hundred fifty thousand bushels, but not more than one million five hundred thousand bushels, the fee is one hundred ~~fifteen~~ ninety-one dollars.
- d. If the total storage capacity is more than one million five hundred thousand bushels, but not more than three million bushels, the fee is one ~~two~~ hundred fifty ~~forty-nine~~ dollars.
- e. If the total storage capacity is more than three million bushels, but not more than four million seven hundred fifty thousand bushels, the fee is one ~~three~~ hundred eighty-five ~~seven~~ dollars.
- f. If the total storage capacity is more than four million

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seven hundred fifty thousand bushels, but not more than nine million five hundred thousand bushels, the fee is two three hundred twenty-five seventy-four dollars.

g. If the total storage capacity is more than nine million five hundred thousand bushels, the fee is two four hundred sixty-five forty dollars.

Sec. 75. Section 543.36, subsection 4, Code 1991, is amended to read as follows:

4. A person in violation of this chapter, or a in violation of chapter 714 or 715A involving~~7-which-violation involves~~ the business of a warehouse operator, is subject to prosecution by the county attorney in the county where the business is located. However, if the county attorney fails to initiate prosecution within thirty days, and upon request by the department, the attorney general may initiate and carry out the prosecution in cooperation, if possible, with the county attorney. The person in violation may be restrained by injunction in an action brought by the department or the attorney general upon request by the department.

Sec. 76. Section 543.37, Code 1991, is amended to read as follows:

543.37 FAILURE TO PAY FEE.

Failure to pay the annual license fee provided for in section 543.33 on or before ~~June-30-of-the-year-for-which-due~~ the end of the third calendar month following the close of the licensee's fiscal year shall cause a license to terminate. A warehouse license which has terminated may be reinstated by the department upon receipt of a proper renewal application, the renewal fee, and the reinstatement fee as provided for in section 543.33, if filed within thirty days from the date of termination of the warehouse license. The department may cancel the license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter.

Sec. 77. NEW SECTION. 543.40 PRIORITIZATION OF INSPECTIONS OF WAREHOUSE OPERATORS.

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The department shall develop a system to prioritize the inspections of warehouse operators provided in section 543.2. The system of prioritization shall be computed each year based on the risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator. The department shall compute the risk by utilizing an available statistical model to measure the financial condition of warehouse operators. Procedures for utilizing the statistical model shall be adopted by department rules. The statistical model shall be used to provide risk ratings. A risk rating shall be used as a factor by the department to prioritize its inspection schedule. The department may inspect a warehouse operator at any time based on a risk of loss to the fund according to the risk rating. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on the statistical model shall be good cause.

Sec. 78. NEW SECTION. 543A.5A LIEN ON LICENSEE'S ASSETS.

The board may enforce a lien attached to assets held by a licensee under chapter 542 or 543. The lien shall be perfected and enforced pursuant to section 542.12A or 543.12A.

Sec. 79. Section 554.9407, subsection 3, Code 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Upon written request, the filing officer shall issue a certificate showing whether there is on file on the date and hour stated, an effective financing statement, lien statement, or termination statement under chapter 542 or 543 naming a grain dealer or warehouse operator as a debtor, the address of the grain dealer's or warehouse operator's principal place of business, and the grain indemnity fund board as secured creditor, identifiable grain proceeds subject to the lien, and the amount of the lien. The uniform fee for a certificate is five dollars if the request for the certificate is on a form conforming to standards prescribed by the secretary of state, or the fee is six

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dollars if the request is not on a form conforming to the standards.

Sec. 80. Section 715A.2, subsection 2, paragraph a, Code 1991, is amended to read as follows:

a. Forgery is a class "D" felony if the writing is or purports to be part of an issue of money, securities, postage or revenue stamps, or other instruments issued by the government, or part of an issue of stock, bonds, credit-sale contracts as defined in section 542.1, or other instruments representing interests in or claims against any property or enterprise, or a check, draft, or other writing which ostensibly evidences an obligation of the person who has purportedly executed it or authorized its execution.

Sec. 81. TRANSITION PERIOD. There shall be a transition period for implementing and enforcing provisions of this Act relating to any license period as provided in sections 542.5 and 543.37 as amended by this Act. Within the transition period, the department of agriculture and land stewardship may issue or renew licenses under chapter 542 or 543 for a period less than twelve consecutive months. The department shall prorate the fees charged for issuing or renewing the licenses for a period of less than twelve consecutive months. The transition period shall terminate on June 30, 1993.

Sec. 82. DATES OF APPLICABILITY. The liens established in sections 542.12A and 543.12A are applicable and enforceable against all grain dealer and warehouse operator licensees with an incurrence date on or after July 1, 1992.

Sec. 83. 1991 Iowa Acts, chapter 268, sections 212 and 213, are repealed.

This section, being deemed of immediate importance, takes effect upon enactment.

Sec. 84. REPEAL. Section 542.21, Code 1991, is repealed.

Sec. 85. This Act takes effect on July 1, 1992, except as otherwise provided in specific sections of this Act."

2. Title page, by striking lines 1 and 2 and inserting the following: "An Act relating to budgetary and

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administrative matters by providing for appropriations and revenue, and providing for statutory changes, including matters involving agriculture and natural resources, and providing effective".

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

EMIL HUSAK, Chairperson
JOHN P. KIBBIE
BERL E. PRIEBE

DON SHOULTZ, Chairperson
LOUIS MUHLBAUER
DAVID SCHRADER

CCS-2347 FILED MAY 2, 1992

ADOPTED (p. 1779)

Adopted (p. 2090)

2, 6, 8, 11-14
24, 68



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD
GOVERNOR

June 3, 1992

The Honorable Elaine Baxter
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2347, an act relating to budgetary and administrative matters by providing for appropriations and revenue, and providing for statutory changes, including matters involving agriculture and natural resources, and providing effective dates.

Senate File 2347 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 2, in its entirety. This section appropriates \$192,426 for a lamb and wool education program which is administered through the community colleges. This program was designed to be a temporary pilot project and other funds should be sought to provide ongoing support for the program.

I am unable to approve the item designated at Section 6, subsection 8, in its entirety. This section appropriates \$129,279 to the Green Thumb Program. It is not possible to continue the program given existing budget limitations. Other employment opportunities may be available through the seasonal employment programs in state agencies.

I am unable to approve the item designated as Section 8, subsection 3, in its entirety. This section appropriates \$144,320 to the Fish and Game Trust Fund. Because the Fish and Game Trust Fund, which is not part of the general fund, has a sufficient operating balance, this transfer is not necessary.

The Honorable Elaine Baxter
June 3, 1992
Page 2

I am unable to approve the item designated as Section 11, in its entirety. This section mandates that \$50,000 appropriated to the Agriculture Experiment Station be transferred to the Department of Agriculture and Land Stewardship to administer a new program to control predator damage to livestock. By disapproving this item, the Board of Regents will revert \$50,000 to the general fund of the state at the end of fiscal year 1993.

I am unable to approve the item designated as Section 12, subsection 2, in its entirety. This section appropriates \$500,000 for waste reduction and recycling programs and \$400,000 for soil and water conservation practices. Alternative sources of funding already exist for these programs. By disapproving this item, the Department of Natural Resources will revert \$900,000 to the general fund of the state at the end of fiscal year 1993.

I am unable to approve the item designated as Section 13, in its entirety. This section appropriates \$99,445 for a new program to stabilize eroded stream banks. Because this new program has implications for ongoing funding, I am unable to approve this item.

I am unable to approve the item designated as Section 14, in its entirety. This section appropriates \$397,780 for the continued dredging of Black Hawk Lake. Section 42 of this bill requires that the Natural Resource Commission approve all dredging projects. Because this section is not consistent with Section 42 and because resources are available from the marine fuel tax fund to continue the dredging of Black Hawk Lake, I am unable to approve this item.

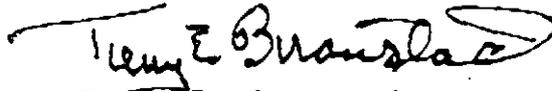
I am unable to approve the item designated as Section 24, in its entirety. This section mandates that the Department of Natural Resources request an appropriation to pay all taxes on land purchased after July 1, 1992. Because most land purchases are now paid for through the REAP program or the Wildlife Habitat Stamp, both of which include payment for applicable taxes, I cannot approve this item.

I am unable to approve the item designated as Section 68, in its entirety. This section would allow the Grain Warehouse Bureau to carry forward for one year any reimbursement received for administration of a receivership from the federal government. This type of receipt is a repayment receipt as defined in Section 8.2 of the Code and must be expended in the year it is received or be reverted to the general fund.

The Honorable Elaine Baxter
June 3, 1992
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For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2347 are hereby approved as of this date.

Sincerely,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 2347

AN ACT

RELATING TO BUDGETARY AND ADMINISTRATIVE MATTERS BY PROVIDING FOR APPROPRIATIONS AND REVENUE, AND PROVIDING FOR STATUTORY CHANGES, INCLUDING MATTERS INVOLVING AGRICULTURE AND NATURAL RESOURCES, AND PROVIDING EFFECTIVE DATES.

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

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Section 1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE DIVISION

a. For salaries, support, maintenance, the support of the state 4-H foundation, support of the statistics bureau, and miscellaneous purposes:
..... \$ 1,000,544

Of the funds appropriated in this paragraph "a", \$35,000 shall be allocated to the state 4-H foundation to foster the development of Iowa's youth and to encourage them to study the subject of agriculture.

Of the funds appropriated in this paragraph "a", \$140,000 and 5.00 PTEs shall be allocated to the statistics bureau to provide county-by-county information on land in farms, production by crop, acres by crop, and county prices by crop. This information shall be made available to the department of revenue and finance for use in the productivity formula for valuing and equalizing agricultural land.

b. For the operations of the dairy trade practices bureau:
..... \$ 69,612

Of the funds appropriated in this paragraph "b", not more than \$46,945 shall be used to support the operations of the dairy trade practices bureau for the fiscal year beginning July 1, 1992, and ending June 30, 1993. Notwithstanding section 8.39, moneys appropriated under this paragraph shall not be transferred by the department to support a purpose other than the operations of the bureau. Notwithstanding section 8.33, unobligated or unencumbered moneys remaining on June 30, 1993, shall not revert, but shall be available for expenditure for the bureau for the next fiscal year and any of these moneys remaining on June 30, 1994, shall revert to the general fund of the state.

c. For the operations of the agricultural marketing bureau:
..... \$ 776,805

Of the funds appropriated in this paragraph "c", \$325,000 and 8.00 FTEs shall be used to support horticulture.

d. For the purpose of performing commercial feed audits:
..... \$ 56,157

e. For the purpose of performing fertilizer audits:
..... \$ 56,157

f. Funds appropriated by this subsection are for the salaries and support of not more than the following full-time equivalent positions:
..... PTEs 56.20

2. FARMERS' MARKET COUPON PROGRAM

For salaries, support, maintenance, and miscellaneous purposes, to be used by the department to continue and expand the farmers' market coupon program by providing federal special supplemental food program recipients with coupons redeemable at farmers' markets, and for not more than the following full-time equivalent positions:

..... \$ 190,822
..... PTEs 1.00

3. REGULATORY DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 3,557,025
..... FTEs 115.00

b. To cover the costs of inspection, sampling, analysis, and other expenses necessary for the administration of chapters 192, 194, and 195:

..... \$ 648,571

4. LABORATORY DIVISION

a. For salaries, support, maintenance, and miscellaneous purposes, including the administration of the gypsy moth program:

..... \$ 670,538

Of the amount appropriated under this paragraph "a", \$50,000 shall be used to administer a program relating to the detection, surveillance, and eradication of the gypsy moth. The department shall allocate and use the appropriation made under this paragraph before moneys other than those appropriated under this paragraph are used to support the program.

b. For the operations of the commercial feed programs:
..... \$ 705,436

c. For the operations of the pesticide programs:
..... \$ 1,189,105

d. For the operations of the fertilizer programs:
..... \$ 622,674

e. Funds appropriated by this subsection are for the salaries and support of not more than the following full-time equivalent positions:

..... FTEs 79.25

5. SOIL CONSERVATION DIVISION

a. For salaries, support, maintenance, assistance to soil conservation districts, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 4,973,030
..... FTEs 173.52

Of the funds appropriated in this paragraph "a", \$330,000 shall be used to reimburse commissioners of soil and water conservation districts for administrative expenses. Moneys used for the payment of meeting dues by counties shall be matched on a dollar-for-dollar basis by the soil conservation division.

b. To provide financial incentives for soil conservation practices under chapter 467A:
..... \$ 5,947,480

c. The following requirements apply to the moneys appropriated by paragraph "b":

(1) Not more than 5 percent of the moneys appropriated in paragraph "b" may be allocated for cost sharing to abate complaints filed under section 467A.47.

(2) Of the moneys appropriated in paragraph "b", 5 percent shall be allocated for financial incentives to establish practices to protect watersheds above publicly owned lakes of the state from soil erosion and sediment. The financial incentives shall be awarded to watersheds which are of the highest importance based on soil loss as established by the natural resource commission pursuant to section 107.33A. The financial incentives shall not exceed seventy-five percent of the estimated cost of establishing the practices as determined by the commissioners or seventy-five percent of the actual cost of establishing the practices, whichever is less.

(3) The commissioners of a soil and water conservation district may allocate financial incentives to encourage summer construction of permanent soil and water conservation practices. The practices shall be constructed on or after June 1 but not later than August 15. The commissioners may also provide for the payment of moneys on a prorated basis to compensate persons for the production loss on an area disturbed by construction, according to rules which shall be

adopted by the division. The commissioners shall not allocate cost-share moneys to support summer construction during a fiscal year in which applications for cost share moneys required to establish permanent soil and water conservation practices, other than established by summer construction, equal the total amount available to support the nonsummer construction practices. The financial incentives shall not exceed sixty percent of the estimated cost of establishing the practice as determined by the commissioners, or sixty percent of the actual cost of establishing the practice, whichever is less.

(4) The commissioners of a soil and water conservation district may allocate financial incentives under a special agreement with owners of land in the district who shall adopt a watershed conservation plan as provided by rules which shall be adopted by the division. The watershed conservation plan shall be in conjunction with the owners' respective farm unit soil conservation plans. The funding agreement must provide for the funding of a project which includes five or more contiguous farm units which have at least five hundred acres of agricultural land and which constitutes at least seventy-five percent of the agricultural land located within a watershed or subwatershed. The financial incentives shall not exceed sixty percent of the estimated cost of the project as determined by the commissioners or sixty percent of the actual cost, whichever is less.

(5) Except as otherwise provided in subparagraphs (1) through (4), the moneys appropriated in paragraph "b" shall not be used alone or in combination with other public funds to provide a financial incentive payment greater than fifty percent of the approved cost for a voluntary permanent soil conservation practice. Priority for funding shall be given to family-operated farms.

(6) Not more than 30 percent of a district's allocation of moneys as financial incentives may be provided for the purpose

of establishing management practices to control soil erosion on land that is row cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping. The division shall by rule establish limits on the amount of incentives which shall be authorized for payment to landowners upon establishment of the practice.

(7) The soil conservation committee may allocate moneys to conduct research and demonstration projects to promote conservation tillage and nonpoint sources pollution control practices.

(8) The financial incentive payments may be used in combination with department of natural resources funds.

d. The provisions of section 8.33 shall not apply to the funds appropriated under paragraph "b". Unencumbered or unobligated funds remaining on June 30, 1996, from funds appropriated under paragraph "b" for the fiscal year beginning July 1, 1992, shall revert to the general fund on August 31, 1996.

Sec. 2. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To fund lamb and wool management education projects approved by the department at community colleges selected as project sites as provided in section 99E.32, subsection 3, paragraph "m":
..... \$ 192,426

Sec. 3. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For support of the pseudotabies eradication program:
..... \$ 795,560

SF 2347

= Vetoed

Sec. 4. There is appropriated from the funds available under section 990.13 to the regulatory division of the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For salaries, support, maintenance, and miscellaneous purposes for the administration of section 99D.22:
..... \$ 174,342

INTERSTATE COMPACT ON AGRICULTURAL GRAIN MARKETING

Sec. 5. There is appropriated from the general fund of the state to the interstate agricultural grain marketing commission for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For carrying out duties of the commission as provided in Article IV of the interstate compact on agricultural grain marketing as provided in chapter 183:
..... \$ 61,606

DEPARTMENT OF NATURAL RESOURCES

Sec. 6. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE AND SUPPORT SERVICES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 2,058,055
..... FTEs 135.00

2. PARKS AND PRESERVES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 5,176,266
..... FTEs 210.57

3. FORESTS AND FORESTRY DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,390,537
..... FTEs 55.71

4. ENERGY AND GEOLOGICAL RESOURCES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,455,711
..... FTEs 55.02

5. ENVIRONMENTAL PROTECTION DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 2,101,771
..... FTEs 174.00

6. FISH AND WILDLIFE DIVISION

For not more than the following full-time equivalent positions:
..... FTEs 338.78

7. WASTE MANAGEMENT ASSISTANCE DIVISION

For not more than the following full-time equivalent positions:
..... FTEs 18.75

8. For the green thumb program for the employment of the elderly in conservation and outdoor recreation related fields in coordination with other agencies as provided by law, and for not more than the following full-time equivalent positions:

..... \$ 129,279
..... FTEs 10.00

= Vetoed

Sec. 7. There is appropriated from the state fish and game protection fund to the division of fish and wildlife of the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for administrative support, and for salaries, support, maintenance, equipment, and miscellaneous purposes:

..... \$ 18,386.861

The department shall not expend more moneys from the fish and game protection fund than provided in this section, unless the expenditure derives from contributions made by a private entity, or a grant or moneys received from the federal government, and is approved by the natural resource commission. The department of natural resources shall promptly notify the legislative fiscal bureau of the commission's approval, and the chairpersons and ranking members of the agriculture and natural resources appropriations subcommittee.

Sec. 8. There is appropriated from the marine fuel tax receipts deposited in the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For purposes of funding expenditures traditionally funded from marine fuel tax revenues, but not considered as capitals or operations:

..... \$ 198,890

2. For purposes of maintaining and developing boating facilities and access to public waters by the parks and preserves division:

..... \$ 432,959

3. For deposit in the state fish and game protection fund for maintenance of boating access on lands managed by the fish and wildlife division:

..... \$ 144,320

4. For purposes of funding capitals traditionally funded from marine fuel tax receipts for the purposes specified in section 324.79:

..... \$ 1,540,000

Notwithstanding section 8.33, the unencumbered or unobligated moneys remaining on June 30, 1993, from moneys appropriated for purposes of funding capitals traditionally funded from marine fuel tax receipts as provided in this subsection 4 for the fiscal year beginning July 1, 1992, shall revert on September 30, 1994.

Sec. 9. There is transferred on July 1, 1992, from the fees deposited under section 321G.7 to the fish and game protection fund and appropriated to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the purpose of enforcing snowmobile laws as part of the state snowmobile program administered by the department of natural resources:

..... \$ 100,000

Sec. 10. There is transferred on July 1, 1992, from the fees deposited under section 106.52 to the fish and game protection fund and appropriated to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of administration and enforcement of navigation laws and water safety:

..... \$ 950,000

MISCELLANEOUS

Sec. 11. PREDATOR DAMAGE CONTROL. From moneys appropriated for the fiscal year beginning July 1, 1992, and ending June 30, 1993, to the agricultural experiment station at Iowa state university of science and technology there is

= Vetoed

transferred to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount to be used for purposes of supporting a predator damage management program:

..... \$ 50,000

The program shall provide for controlling predators, including coyotes which interfere with agricultural production including livestock production. A primary purpose of the program shall be to reduce damages or injury to property involved in farming as defined in section 172C.1. The program shall emphasize the prevention of damage through management techniques which preserve the life and habitat of predators. An animal or an animal's habitat shall not be destroyed only because the animal belongs to a particular species. The department shall cooperate with the department of natural resources. The program shall be conducted in accordance with federal and state law, notwithstanding laws relating to open seasons.

Sec. 12. REAP.

1. Notwithstanding the amount of the standing appropriation from the general fund of the state under section 455A.18, subsection 3, there is appropriated from the general fund of the state, in lieu of the appropriation made in section 455A.18, for the fiscal year beginning July 1, 1992, to the Iowa resources enhancement and protection fund the sum of \$9,944,500, of which all moneys shall be allocated as provided in subsection 2 and section 455A.19.

2. Of the amount appropriated under subsection 1, there is allocated the following amounts to be used for the purposes designated:

a. To the department of natural resources to support the purposes specified pursuant to section 455D.15, subsection 3, paragraph "g":

..... \$ 500,000

b. To the soil conservation division of the department of agriculture and land stewardship to provide state soil and water conservation cost-sharing moneys pursuant to chapter 467A:

..... \$ 400,000

Sec. 13. STREAM STABILIZATION. There is appropriated from the general fund of the state to the division of soil conservation of the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of participating with local entities including local governments, and with entities receiving federal funding, in developing and installing projects that stabilize degrading stream channels in areas of the state determined by the division to require assistance:

..... \$ 99,445

Sec. 14. LAKE PROJECT. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the purpose of supporting lake preservation efforts at Black Hawk Lake:

..... \$ 397,780

The moneys appropriated under this section shall be allocated by the department to continue lake preservation, including dredging operations, at Black Hawk Lake, located at Lake View, Iowa. Remaining moneys previously designated for Black Hawk Lake under the federal clean lakes program shall be allocated on a matching basis with moneys appropriated under this section for purposes of preserving Black Hawk Lake. The allocation of moneys shall be contingent upon land used as a spoil site for the lake being provided without financial obligation to the state and the active participation of a local entity in preparing the spoil site.

= Vetoed

This section shall become effective upon enactment.

Sec. 15. The department of agriculture and land stewardship and the department of natural resources, in cooperation as necessary with the department of management and the department of personnel, shall provide a list to the legislative fiscal bureau, on a quarterly basis, of all permanent positions added to or deleted from the departments' table of organization in the previous fiscal quarter. This list shall include at least the position number, salary range, projected funding source or sources of each position, and the reason for the addition or deletion. The legislative fiscal bureau may use this information to assist in the establishment of the full-time equivalent position limits contained in the this Act for the departments.

Sec. 16. The department of revenue and finance in cooperation with the department of agriculture and land stewardship and the department of natural resources shall track receipts to the general fund which have traditionally been deposited into the following funds:

1. The fertilizer fund created in section 200.9.
2. The pesticide fund created in section 206.12.
3. The dairy trade practices trust fund pursuant to section 192A.30.
4. The milk fund created in section 192.111.
5. The commercial feed fund created in section 198.9.
6. The marine fuel tax fund created in section 324.79.
7. The energy research and development fund provided in section 91.11.

The departments designated in this section shall prepare reports detailing revenue from receipts traditionally deposited into each of the funds. A report shall be submitted to the legislative fiscal bureau at least once for each three-month period as designated by the legislative fiscal bureau.

Sec. 17. The department of natural resources shall provide the legislative fiscal bureau information and financial data

by cost center, on at least a monthly basis, relating to the indirect cost accounting procedure, the amount of funding from each funding source for each cost center, and the internal budget system used by the department. The information shall include but is not limited to financial data covering the department's budget by cost center and funding source prior to the start of the fiscal year, and to the department's actual expenditures by cost center and funding source after the accounting system has been closed for that fiscal year.

Sec. 18. Notwithstanding section 17A.2, subsection 7, paragraph "g", the department of natural resources shall by rule establish prices of plant material grown at the state forest nurseries to cover all expenses related to the growing of the plants.

The department shall develop programs to encourage the wise management and preservation of existing woodlands and shall continue its efforts to encourage forestation and reforestation on private and public lands in the state.

The department shall encourage a cooperative relationship between the state forest nurseries and private nurseries in the state in order to achieve these goals.

Sec. 19. During the fiscal year for which funds are appropriated by sections 6 and 7 of this Act, the department of natural resources shall not require the installation or use of equipment to control the emission of dust or other particulate matter on or by facilities for storage of grain which are located within the ambient air quality attainment areas for suspended particulates.

Sec. 20. ZERO-BASE BUDGET PROPOSAL. The parks and preserves division of the department of natural resources shall submit a zero-base budget proposal for the fiscal year beginning July 1, 1993, and ending June 30, 1994, to the joint appropriations subcommittee on agriculture and natural resources by January 15, 1993.

Sec. 21. CODE EDITOR. The Code editor shall change the name of the waste management authority within the department of natural resources to the waste management assistance division wherever it appears in the Code.

Sec. 22. 1992 Iowa Acts, Senate File 2367, section 201, unnumbered paragraph 2, is amended by striking the paragraph.

This section, being deemed of immediate importance, takes effect upon enactment.

Sec. 23. Section 93.11, subsection 1, paragraph f, unnumbered paragraph 2, Code Supplement 1991, is amended to read as follows:

Notwithstanding the provisions of this section directing that moneys be deposited into the energy research and development fund, for the fiscal period beginning July 1, 1991, and ending June 30, 1992, all moneys shall be deposited into the general fund of the state. ~~There is appropriated annually from the general fund of the state the sum of one hundred-fifty-thousand-dollars-to-be-used-for-the-purposes-of this-section:~~

Sec. 24. NEW SECTION. 111.17A PAYMENT IN LIEU OF PROPERTY TAXES. The director of the department of natural resources shall submit a budget request to pay the annual property taxes on property held by the department. The budget request shall be submitted to the general assembly as part of the annual budget proposal provided in section 455A.4. The amount of the payment shall be based on property acquired on or after July 1, 1992, which would otherwise be subject to the levy of property taxes. The assessed value of property held by the department shall be that determined under section 427.1, subsection 31, and the director may protest the assessed value in the manner provided by law for any property owner to protest an assessment. For the purposes of chapter 257, the assessed value of any property which was acquired by the department on or after July 1, 1992, shall be included in the valuation base of the school district and the payments

made pursuant to this section shall be considered as property tax revenues and not as miscellaneous income. The county treasurer shall certify the amount of taxes due to the department. The taxes shall be paid annually from the departmental fund or account from which the property acquisition was funded. If the departmental fund or account has no moneys, no longer exists, or if the acquisition of property was made without an expenditure of funds by the department, the taxes shall be paid from funds in the manner provided by the general assembly. If the total amount of taxes due, as certified to the department, exceeds the amount available for expenditure under this section, the property taxes due shall be reduced proportionately so that the total amount due equals the amount available for expenditure.

Sec. 25. NEW SECTION. 159.6A CONTRIBUTIONS.

The department may accept contributions, including gifts and grants, in order to carry out and administer the provisions of this chapter. The department shall maintain an itemized accounting of the contributions. At the end of each fiscal year, the department shall prepare a list recognizing private contributors.

Sec. 26. Section 159.20, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

~~An agricultural marketing division is created within the department:~~ The division department shall perform duties designed to lead to more advantageous marketing of Iowa agricultural commodities. The division department may do any of the following:

Sec. 27. Section 159.20, subsections 5 and 9, Code Supplement 1991, are amended to read as follows:

5. Accumulate and diffuse information concerning the marketing of agricultural commodities in cooperation with persons, agencies, or the federal government. The division department shall establish an agricultural commodity informational data base.

= Vetoed

9. Cooperate with the Iowa department of economic development to avoid duplication of efforts between the division department and the agricultural marketing program operated by the Iowa department of economic development.

Sec. 28. Section 159.20, unnumbered paragraph 2, Code Supplement 1991, is amended by striking the paragraph.

Sec. 29. Section 159.22, Code Supplement 1991, is amended to read as follows:

159.22 GRANTS AND GIFTS OF FUNDS.

~~The division may with the approval of the secretary may accept grants and allotments of funds from the federal government and enter into co-operative agreements with the United States department of agriculture for projects to effectuate a purpose described in this subchapter. The division may accept grants, gifts or allotments of funds from any person for the purpose of carrying out the provisions of this subchapter. If funds are accepted from a person, the director shall prepare an itemized accounting to the department at the end of each fiscal year.~~

Sec. 30. Section 159.23, Code 1991, is amended to read as follows:

159.23 SPECIAL FUND.

All fees collected as a result of the inspection and grading provisions set out herein shall be paid into the state treasury, there to be set aside in a separate fund which is hereby appropriated for the use of the division department except as indicated. Withdrawals therefrom shall be by warrant of the director of revenue and finance upon requisition by the ~~administrator of the division approved by~~ the secretary of agriculture. Such fund shall be continued from year to year, provided, however, that if there be any balance remaining at the end of the biennium which, in the opinion of the governor, director of management and secretary of agriculture, is greater than necessary for the proper administration of the inspection and grading program referred

to herein, the treasurer of state is hereby authorized on the recommendation and with the approval of the governor, director of management and secretary of agriculture, to transfer to the general fund of the state that portion of such account as they shall deem advisable.

Sec. 31. Section 159.24, Code 1991, is amended to read as follows:

159.24 GRADES OR CLASSIFICATIONS OF FARM PRODUCTS.

A certificate of the grade, or other classification, of any farm products issued under ~~this division of~~ this chapter shall be accepted in any court of this state as prima facie evidence of the true grade or classification of such farm products as the same existed at the time of their classification.

Sec. 32. Section 159.37, subsection 1, Code 1991, is amended to read as follows:

1. The department shall establish ~~within the international trade bureau of the marketing division~~ a special quality grains electronic bulletin board system. The system shall be available to any and all buyers and sellers of special quality grains for the purpose of posting the availability of special quality grains, or a demand for special quality grains.

Sec. 33. Section 159A.3, subsection 1, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

An office of renewable fuel is created within the ~~agricultural marketing division of~~ the department and shall be staffed by a coordinator who shall be appointed by the ~~division administrator~~ secretary. It shall be the policy of the office to further renewable fuel activities. The office shall first further renewable fuel activities based on the following considerations:

Sec. 34. Section 199.3, subsection 4, Code 1991, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. The last date on which the variety of seed will normally germinate according to standards established by rules adopted by the department.

Sec. 35. Section 199.11, Code 1991, is amended to read as follows:

199.11 AUTHORITY OF SECRETARY OF AGRICULTURE THE DEPARTMENT.

1. For the purpose of carrying out the provisions of this chapter, the state secretary of agriculture who may act through authorized agents is hereby authorized and directed department shall do all of the following:

a. To sample Sample, inspect, make analysis of analyze, and test agricultural seeds seed other than lawn seed, if the agricultural seed is transported, sold, offered, or exposed for sale within this state for sowing purposes. The department shall perform these duties at such a time and place and to such an extent as the secretary may deem necessary to determine whether said the agricultural seeds are seed is in compliance with the provisions of this chapter, and to notify. The department shall promptly notify the person who transported, sold, offered, or exposed the seed for sale, of any a violation.

b. To prescribe and after public hearing following due public notice, to adopt Adopt rules and regulations governing the methods of sampling, inspecting, analysis, tests analyzing, testing, and examination of examining agricultural seeds, and the other than lawn seed. The rules shall include tolerances to be followed in the administration of this chapter, which shall be in general accord with officially prescribed practice in interstate commerce under the federal seed Act and such other rules and or regulations as may be necessary to secure for the efficient enforcement of this chapter.

2. Further, for For the purpose of carrying out the provisions of this chapter, the state secretary of agriculture, individually or through authorized agents, is authorized and directed department may:

a. To enter Enter upon any public or private premises during regular business hours in order to have access to seeds commercial seed other than lawn seed, subject to this chapter and the departmental rules and regulations thereunder.

b. To issue Issue and enforce a written or printed "stop sale" order to the owner or custodian of any lot of agricultural seed other than lawn seed which the state secretary of agriculture or the secretary's authorized agents believe department believes is in violation of any of the provisions of this chapter which or departmental rules. The order shall prohibit further sale of such the seed until such officer the department has evidence that the law has been complied with provided that of compliance. However, the owner or custodian of such the seed shall be permitted to remove said the seed from a salesroom open to the public; provided further, that in respect to seeds which have been denied sale as provided in this subsection, judicial. Judicial review of the order may be sought in accordance with the terms of the Iowa administrative procedure Act chapter 17A. Notwithstanding the terms of said Act However, notwithstanding chapter 17A, petitions for judicial review may be filed in the district court, and provided further, that the provisions of this. This subsection shall does not be construed as limiting limit the right of the enforcement officer department to proceed as authorized by other sections of this chapter.

c. To establish Establish and maintain or make provision for seed testing facilities essential to the enforcement of this chapter, to. The department may employ qualified persons, and to incur such expenses as may be necessary to comply with these provisions.

d. To co-operate Cooperate with the United States department of agriculture in seed law enforcement.

Sec. 36. Section 214.3, subsection 1, Code 1991, is amended to read as follows:

1. The license for inspection of a commercial weighing and measuring device shall expire on December 31 of each year, and for a motor vehicle fuel pump on June 30 of each year. The amount of the fee due for each license shall be as provided in subsection 3, except that the fee for a motor vehicle fuel pump shall be three ~~four~~ dollars and fifty cents if paid within one month from the date the license is due.

Sec. 37. Section 214.3, subsection 3, paragraphs a through e, Code 1991, are amended to read as follows:

a. Class S-III.

- (1) Railroad track scales, seventy-one one hundred six dollars and fifty cents.
- (2) Other scales.
 - (a) 500 to 1,000 pounds capacity, eleven sixteen dollars and fifty cents.
 - (b) 1,001 to 30,000 pounds capacity, twenty-one thirty-one dollars and fifty cents.
 - (c) 30,001 to 50,000 pounds capacity, forty-one sixty-one dollars and fifty cents.
 - (d) 50,001 pounds capacity or more, fifty-six eighty-four dollars.

(3) A minimum fee of thirty-one forty-six dollars and fifty cents shall be charged for each vehicle or livestock scale.

b. Class S-II and S-III, six nine dollars.

- (1) Bench scale, six nine dollars.
- (2) Counter scale, six nine dollars.
- (3) Portable platform scale, six nine dollars.
- (4) Livestock monorail scale, six nine dollars.
- (5) Single animal scale, six nine dollars.
- (6) Grain test scale, six nine dollars.
- (7) Precious metal and gems scale, six nine dollars.
- (8) Postal scale, six nine dollars.

c. (1) Grain moisture meters, sixteen twenty-four dollars.

(2) Additional meters at the same location, eleven sixteen dollars and fifty cents.

d. Class M-1. One hundred-gallon prover.

- (1) Bulk meters, six nine dollars.
- (2) Bulk liquid petroleum gas meters, thirty-five fifty-two dollars and fifty cents.
- (3) Bulk refined fuel meters, six nine dollars.
- (4) Mass flow meters, six nine dollars.

e. Class M-11. Five-gallon prover.

- (1) Slow flow meters, six nine dollars.
- (2) Retail motor vehicle fuel pump, six nine dollars.

Sec. 38. Section 215.2, subsections 1 and 2, Code 1991, are amended to read as follows:

- 1. Class S, scales, fifty seventy-five dollars per hour.
- 2. Class M, meters, thirty-five fifty-two dollars and fifty cents per hour.

Sec. 39. Section 215.17, Code 1991, is amended to read as follows:

215.17 TEST WEIGHTS TO BE USED.

Any ~~A~~ ~~person, firm or corporation~~ engaged in scale repair work for hire shall use only test weights sealed by the department in determining the effectiveness of repair work and ~~said the~~ test weights shall be sealed as to their accuracy once each year. ~~Provided, however, that it shall be unlawful for such~~ ~~However,~~ a person to shall not claim to be an official scale inspector ~~or to~~ and shall not use ~~said the~~ test weights except to determine the accuracy of scale repair work done by the person and the person shall not be entitled to no a fee for their use. A fee shall be charged and collected at time of inspection for the inspection of such weights as follows:

All weights up to and including 25 pounds ...	\$ 75 <u>1.10</u> each
All weights	
<u>Over twenty-five pounds capacity,</u>	
up to and including 50 pounds	\$ 50 <u>2.25</u> each

Over 50 pounds capacity, up to and including 100 pounds	2.00	3.00	each
Over 100 pounds capacity, up to and including 500 pounds	3.00	4.50	each
Over 500 pounds capacity, up to and including 1,000 pounds	5.00	7.50	each

The fee for all tank calibrations shall be as follows:

100 gallons up to and including 300 gallons	\$ 3.00	4.50
301 gallons up to and including 500 gallons	5.00	7.50
501 gallons up to and including 1,000 gallons	7.50	11.25
1,001 gallons up to and including 2,000 gallons	10.00	15.00
2,001 gallons up to and including 3,000 gallons	12.00	18.00
3,001 gallons up to and including 4,000 gallons	14.00	21.00
4,001 gallons up to and including 5,000 gallons	16.00	24.00
5,001 gallons up to and including 6,000 gallons	18.00	27.00
6,001 gallons up to and including 7,000 gallons	20.00	30.00
7,001 gallons and up	25.00	37.50

~~No calibration with~~ Calibration shall not be required of any a tank which is not used for the purpose of measuring, or which is equipped with a meter, ~~nor shall~~ and vehicle tanks loaded from meters and carrying a printed ticket showing gallonage shall not be required to be calibrated.

Sec. 40. Section 215A.9, unnumbered paragraph 2, Code Supplement 1991, is amended to read as follows:

A fee of ten fifteen dollars shall be charged for each device subject to reinspection under section 215A.5. All

moneys received by the department under the provisions of this chapter shall be handled in the same manner as "repayment receipts" as defined in chapter 8, and shall be used for the administration and enforcement of the provisions of this chapter.

Sec. 41. Section 423.24, subsection 1, paragraph b, as enacted by 1992 Iowa Acts, House File 2456, section 6, is amended to read as follows:

b. Beginning on July 1, 1993, three and one-half percent of the remaining revenue, not to exceed one million dollars per quarter, derived from the use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected pursuant to section 423.7, shall be deposited in the ethanol production incentive account of the renewable fuel fund created in section 159A.7. Moneys deposited according to this paragraph are a continuing appropriation for expenditure under section 159A.8. Moneys deposited during a state fiscal year to the ethanol production incentive account which remain unobligated and unencumbered on July 31 of the following state fiscal year shall be credited to the road use tax fund as provided in this section.

Sec. 42. Section 455A.5, subsection 6, Code Supplement 1991, is amended by adding the following new paragraph:

NEW PARAGRAPH. 1. Approve or disapprove proposals involving the dredging or renovation of lakes; the acquisition, development, and maintenance of boating facilities; and the acquisition, development, and maintenance of recreational facilities associated with recreational boating.

Sec. 43. Section 455A.6, subsection 6, paragraph d, Code Supplement 1991, is amended to read as follows:

d. Approve the budget request prepared by the director for the programs authorized by chapters 455B, 455C, 455E, and 455F. The commission shall approve the budget request prepared by the director for programs administered by the

energy and geological resources division; ~~the coordination and information division;~~ the administrative services division, and the office of the director, as provided in section 455A.7. The commission may increase, decrease, or strike any item within the department budget request for the specified programs before granting approval.

Sec. 44. Section 455A.7, subsection 1, paragraph f, Code Supplement 1991, is amended by striking the paragraph.

Sec. 45. Section 455A.7, subsection 1, paragraph j, Code Supplement 1991, is amended to read as follows:

j. Office of the director which has responsibilities for administering the department, including information dissemination, education, and government liaison services.

Sec. 46. Section 455B.103A, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The enforcement provisions of division III, part of this chapter, apply to general permits for stormwater discharge.

Sec. 47. Section 455B.310, subsection 2, paragraph b, subparagraph (5), Code Supplement 1991, is amended to read as follows:

(5) Five cents per ton per year is appropriated to the department of economic development to establish, in cooperation with the department of natural resources, a marketing initiative to assist Iowa businesses producing recycling or reclamation equipment or services, recyclable products, or products from recycled materials to expand into national markets. Efforts shall include the reuse and recycling of sawdust. For the each fiscal year beginning July 1, 1991, and ending June 30, 1992, and beginning July 1, 1992, and ending June 30, 1993, fifty thousand dollars of the moneys appropriated under this subparagraph shall be allocated for the purposes of developing advanced microbiological technologies for reduction, destruction, or disposal of wet solid waste. For the each fiscal year beginning July 1, 1992

1993, and thereafter, fifty thousand dollars of the moneys appropriated under this subparagraph shall be used by the department of economic development to provide grants or loans to Iowa businesses which have participated in the waste reduction assistance program of the department of natural resources or the program provided by the waste reduction center at the university of northern Iowa, and which have identified needs for equipment or retooling to achieve waste reduction.

Sec. 48. NEW SECTION. 455B.601 PESTICIDE AND FERTILIZER CONTAMINATED AGRICULTURAL CHEMICAL DEALER SITES -- PRIORITIZATION OF CLEANUP.

1. The commission shall adopt rules to establish criteria for the classification and prioritization of sites upon which contamination has been discovered.

a. For purposes of this section:

(1) "Action level" means action level as defined in 567 IAC 133.2, adopted as of a specific date by rule of the department.

(2) "Contamination" means the presence of one or more pesticides, as defined in section 206.2, or the presence of fertilizer, as defined in section 200.3, in soil or groundwater at levels above those that would result at normal field application rates or above background levels.

(3) "Contaminated site" means a site upon which contamination has been discovered.

(4) "Responsible person" means responsible person as defined in 567 IAC 133.2, adopted as of a specific date by rule of the department.

b. A contaminated site shall be classified as either high, medium, or low priority.

(1) A site shall be considered high priority under any of the following conditions:

(a) Groundwater contamination exceeds action levels and is affecting or likely to affect groundwater used as a drinking water source.

(b) Contamination is affecting or likely to affect surface water bodies to a level which exceeds surface water quality standards under section 455B.171.

(c) Contamination is discovered in an ecologically sensitive area. An ecologically sensitive area is one which is designated by the department.

(2) A site shall be considered medium priority if contamination of groundwater exceeds action levels, but does not meet the criteria for classification as a high priority site.

(3) A site shall be considered low priority under any of the following conditions:

(a) If soil contamination exists at the site, but no groundwater contamination exists at the site.

(b) If soil contamination exists and groundwater contamination has been discovered, but is below action levels.

(4) A site shall be reclassified as a site with a higher or lower classification when the site falls within a higher or lower classification as established under this paragraph.

c. An initial site plan shall be developed by the responsible person and approved by the department for each site upon which contamination has been discovered. The site plan shall include all of the following:

(1) A determination as to the extent of the existing soil, groundwater, or surface water contamination.

(2) The proximity of the contamination and the likelihood that the contamination will affect a drinking water well.

(3) The characteristics of the site and the potential for migration of the contamination.

(4) A recommendation as to whether the site should be classified as a high, medium, or low priority site.

(5) If a site is classified as a high or medium priority site, further investigation shall be conducted to determine the extent of the remediation which should be conducted on the site.

d. The corrective action response requirements for high, medium, or low priority sites shall be administered in accordance with the following:

(1) Soils and groundwaters on a high priority site shall be actively remediated, where technically feasible, until such time as the groundwater contamination levels are below action levels.

(2) Remediation on a medium priority site shall include either monitoring or active or passive remediation and shall be determined by the department on a site-by-site basis based upon the findings of the site plan. Remediation on a medium priority site shall include at least that which would be required on a low priority site.

(3) (a) Active soil remediation shall be required on a low priority site if remediation would be more practical and cost-effective than monitoring.

(b) If active soil remediation on a low priority site is undertaken, no further action shall be required on the site.

(c) If active soil remediation is not undertaken on a low priority site, a site shall be monitored, for a specified period of time as determined by the department.

2. This section is applicable to all sites upon which contamination has been discovered, unless corrective action on a site has already been approved and implemented.

3. Application of contaminated groundwaters and soils on land upon which the contaminants have been applied in accordance with department rules shall not exceed a level which would preclude the resumption of normal farming practices within a two-year period.

4. This section does not affect the ability of the department or the United States environmental protection agency to require monitoring or remediation on sites that are placed on the national priorities list pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act.

Sec. 49. Section 467A.7, subsections 17 and 19, Code 1991, are amended by striking the subsections.

Sec. 50. Section 467A.43, unnumbered paragraph 2, as enacted in 1992 Iowa Acts, House File 2343, section 4, is amended to read as follows:

A landowner shall not be liable for a claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent installation, construction, or reconstruction of a soil and water conservation conservation practice or an erosion control practice that was installed, constructed, or reconstructed in accordance with generally recognized engineering or safety standards, criteria, or design theory in existence at the time of the installation, construction, or reconstruction. A soil and water conservation practice or an erosion control practice installed, constructed, or reconstructed in compliance with rules adopted by the division and currently in effect shall be deemed to be installed, constructed, or reconstructed according to generally recognized engineering or safety standards, criteria, or design theory in existence at the time of the installation, construction, or reconstruction. A claim shall not be allowed for failure to upgrade, improve, or alter any aspect of an existing soil and water conservation practice or erosion control practice to a new, changed, or altered design standard. This section does not apply to a claim based on a failure of a landowner to upgrade, improve, or alter a soil and water conservation practice or erosion control practice in violation of law. This section does not apply to claims based upon gross negligence.

Sec. 51. Section 467A.73, subsection 1, paragraph b, as enacted by 1992 Iowa Acts, House File 2343, section 8, is amended to read as follows:

b. The allocation of moneys as financial incentives provided for the purpose of establishing management practices to control soil erosion on land that is row-cropped, including

but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping. The division shall by rule establish limits on the amount of incentives which shall be authorized for payment to landowners upon establishment of the practice.

Sec. 52. Section 467A.73, subsection 2, paragraph a, as enacted in House File 2343 by the Seventy-fourth General Assembly, is amended to read as follows:

a. The allocation of cost-share moneys as financial incentives under a special agreement with owners of land in the district who promise to adopt a watershed conservation plan as provided by rules which shall be adopted by the division. The watershed conservation plan shall be in conjunction with ~~the district soil and water resource conservation plan provided under section 467A.7~~ the owners' respective farm unit soil conservation plans. The funding agreement must provide for the funding of a project which ~~shall include~~ includes five or more contiguous farm units which have at least five hundred acres of agricultural land and which constitutes at least seventy-five percent of the agricultural land located within a watershed ~~or subwatershed~~. The financial incentives shall not exceed sixty percent of ~~the~~ estimated cost of the project as determined by the commissioners or sixty percent of the actual cost, whichever is less.

Sec. 53. Section 467A.74, subsection 1, paragraph a, as enacted in House File 2343 by the Seventy-fourth General Assembly, is amended to read as follows:

a. The financial incentives shall not exceed more than fifty percent of the estimated cost of establishing the practices as determined by the commissioners, or fifty percent of the actual cost of establishing the practices, whichever is less. However, the commissioners may allocate an amount determined by the ~~division committee~~ for management of soil and water conservation practices, except as otherwise provided

regarding land classified as agricultural land under conservation cover.

Sec. 54. Section 467A.74, subsection 2, as enacted in House File 2343 by the Seventy-fourth General Assembly, is amended to read as follows:

2. The committee shall review requirements of this section once each year. The ~~division~~ committee may authorize commissioners in districts to condition the establishment of a mandatory soil and water conservation practice in a specific case on a higher proportion of public cost-sharing than is required by this section. The commissioners shall determine the amount of cost-sharing moneys allocated to establish a specific soil and water conservation practice in accordance with an administrative order issued pursuant to section 467A.47 by considering the extent to which the practice will contribute benefits to the individual owner or occupant of the land on which the practice is to be established.

Sec. 55. Section 542.1, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 10. "Good cause" means that the department has cause to believe that the net worth or current asset to current liability ratio of a grain dealer presents a danger to sellers with whom the grain dealer does business, based on evidence of any of the following:

a. The making of a payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution refuses payment on the instrument because of insufficient funds in a grain dealer's account.

b. A violation of recordkeeping requirements provided in this chapter or rules adopted pursuant to this chapter by the department.

c. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on a statistical model provided in section 542.22.

Sec. 56. Section 542.3, subsection 4, paragraph b, Code 1991, is amended to read as follows:

b. The grain dealer shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a grain dealer submit more than one such unqualified opinion per year. The grain dealer, except as provided in section 542.15, may ~~elect~~ ~~however~~ to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause ~~to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or evidence of violations of recordkeeping requirements. If a grain dealer making the election engages in credit sale contracts, the grain dealer shall also comply with the provisions of section 542.15, subsection 4.~~

Sec. 57. Section 542.3, subsection 5, paragraph b, Code 1991, is amended to read as follows:

b. The grain dealer shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a grain dealer submit more than one such unqualified opinion per year. The grain dealer may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or evidence of violations of recordkeeping requirements; if a grain dealer making the election engages in credit sale contracts, the grain dealer shall also comply with the provisions of section 542.35, subsection 8.

Sec. 58. Section 542.5, unnumbered paragraph 1, Code 1991, is amended to read as follows:

Upon the filing of the application and compliance with the terms and conditions of this chapter and rules of the department, the department shall issue a license to the

applicant. The license shall terminate on at the thirtieth of June of each year end of the third calendar month following the close of the grain dealer's fiscal year. A grain dealer's license may be renewed annually by the filing of a renewal fee and a renewal application on a form prescribed by the department. An application for renewal shall be received by the department on or before the thirtieth of June end of the third calendar month following the close of the grain dealer's fiscal year. A grain dealer license which has terminated may be reinstated by the department upon receipt of a proper renewal application, the renewal fee, and the reinstatement fee as provided in section 542.6 if filed within thirty days from the date of termination of the grain dealer license. The department may cancel a license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter. Fees for licenses issued for less than a full year shall be prorated from the date of the application.

Sec. 59. Section 542.6, subsection 1, Code 1991, is amended to read as follows:

1. For the issuance or renewal of a license ~~for a grain dealer required under section 542.3,~~ and for any inspection of a grain dealer, the fee shall be determined on the basis of ~~dollar volume of all bushels of grain purchased during the grain dealer's previous calendar fiscal year as follows according to the grain dealer's financial statement required in section 542.3.~~ The fee shall be calculated according to the following schedule:

a. If the total number of bushels purchased is ~~one hundred thirty-five thousand dollars~~ or less, the license fee is ~~forty six dollars~~ and the inspection fee is ~~fifty eight dollars~~ and the inspection fee is ~~thirty three dollars~~.

b. If the total number of bushels purchased is more than ~~one hundred thirty-five thousand dollars,~~ but not more than ~~seven hundred fifty thousand dollars,~~ the license fee is

seventy one hundred sixteen dollars and the inspection fee is seventy-five one hundred twenty-five dollars.

c. If the total number of bushels purchased is more than seven two hundred fifty thousand dollars, but not more than one million five hundred thousand dollars, the license fee is one hundred sixty-six dollars and the inspection fee is one hundred fifteen ninety-one dollars.

d. If the total number of bushels purchased is more than one million five hundred thousand dollars, but not more than three one million dollars, the license fee is one two hundred seventy-five ninety-one dollars and the inspection fee is one two hundred fifty forty-nine dollars.

e. If the total number of bushels purchased is more than three one million dollars, but not more than four one million seven eight hundred fifty thousand dollars, the license fee is three four hundred ninety-eight dollars and the inspection fee is one three hundred eighty five seven dollars.

f. If the total number of bushels purchased is more than four one million seven eight hundred fifty thousand dollars, but not more than nine three million five two hundred thousand dollars, the license fee is four seven hundred twenty-five six dollars and the inspection fee is two three hundred twenty-five seventy-four dollars.

g. If the total number of bushels purchased is more than nine three million five two hundred thousand dollars, the license fee is five nine hundred seventy-five fifty-five dollars and the inspection fee is two four hundred sixty-five forty dollars.

If the applicant did not purchase grain in the applicant's previous calendar fiscal year, the applicant will shall pay the fee specified in paragraph "a". If during the license period licensee's fiscal year the total number of bushels of grain actually purchased exceeds one hundred thirty-five thousand dollars, the licensee shall notify the department and the license and inspection fee shall be adjusted accordingly.

Subsequent adjustments shall be made as necessary. An applicant may elect licensing in any category of this subsection. New fees for new licenses issued for less than a full year shall be prorated from the date of application.

Sec. 60. Section 542.9, unnumbered paragraph 1, Code 1991, is amended to read as follows:

The department may inspect the premises used by any grain dealer in the conduct of the dealer's business at any time, and the books, accounts, records, and papers of every grain dealer which pertain to grain purchases are subject to inspection by the department during ordinary business hours. The department shall cause the business premises and books, accounts, records, and papers of every grain dealer to be inspected not less than at least once during each twelve-month eighteen-month period, but not more than four times in a twenty-four-month period without good-cause justification. The department shall prioritize inspections based on the system provided in section 542.22. The department may use a risk rating produced by a statistical model provided in section 542.22 as justification to conduct an inspection. The transporter of grain in transit shall possess bills of lading or other documents covering the grain, and shall present them to any law enforcement officer or to a person designated as an enforcement officer under section 542.13 on demand. If there is good-cause justification to believe that a person is engaged without a license in the business of a grain dealer in this state, the department may inspect the books, papers, and records of the person which pertain to grain purchases.

Sec. 61. Section 542.11, subsection 4, Code 1991, is amended to read as follows:

4. A person in violation of this chapter, or a in violation of chapter 714 or 715A involving, which violation involves the business of a grain dealer, is subject to prosecution by the county attorney in the county where the business is located. However, if the county attorney fails to

initiate prosecution within thirty days and upon request by the department, the attorney general may initiate and carry out the prosecution in cooperation, if possible, with the county attorney. The person in violation may be restrained by an injunction in an action brought by the department or the attorney general upon request by the department.

Sec. 62. NEW SECTION. 542.12A LIEN ON GRAIN DEALER ASSETS.

1. A statutory lien is imposed on all grain dealer assets in favor of sellers who have surrendered warehouse receipts or other written evidence of ownership as part of a grain sale transaction or who possess written evidence of the sale of grain to a grain dealer, without receiving full payment for the grain.

2. "Grain dealer assets" includes proceeds received or due a grain dealer upon the sale, including exchange, collection, or other disposition, of grain sold by the grain dealer. As used in this section, "proceeds" means noncash and cash proceeds as provided in section 554.9306. "Grain dealer assets" also includes any other funds or property of the grain dealer which can be directly traced as being from the sale of grain by the grain dealer, or which were utilized in the business operation of the grain dealer. A court, upon petition by an affected party, may order that claimed grain dealer assets are not grain dealer assets as defined in this section. The burden of proof shall be upon the petitioner to establish that the assets are not grain dealer assets as defined in this section.

3. The lien shall arise at the time of surrender of warehouse receipts or other written evidence of ownership as part of a grain sale transaction or the time of delivery of the grain for sale, and shall terminate when the liability of the grain dealer to the seller has been discharged. The lien of all sellers is hereby assigned to the Iowa grain indemnity fund board, on behalf of the grain depositors and sellers indemnity fund.

4. To perfect the lien, the Iowa grain indemnity fund board must file a lien statement with the office of the secretary of state. The lien statement is valid only if filed on or after the date of suspension but not later than sixty days after the incurrence date as provided in section 543A.6. The lien statement shall disclose the name of the grain dealer, the address of the dealer's principal place of business, a description of identifiable grain dealer assets, and the amount of the lien. The lien amount shall be the board's estimate of the final cost of reimbursing the grain depositors and sellers indemnity fund for the payment of claims against the fund resulting from the breach of the grain dealer's obligations. The board shall correct the amount not later than one hundred eighty days following the incurrence date. A court, upon petition by an affected person, may correct the amount. The board shall have the burden of proving that the amount is an accurate estimate.

5. The Iowa grain indemnity fund board shall upon written demand of the grain dealer file a termination statement with the secretary of state, if the license of the grain dealer is not revoked, terminated, or canceled after one hundred eighty days from the date that the lien is perfected. Upon filing the termination statement, the lien becomes unperfected. The board shall also deliver a copy of the termination statement to the grain dealer.

6. The secretary of state shall note the filing of a lien statement under this section in a manner provided by chapter 554, the uniform commercial code. The secretary shall note the filing of a termination statement with the lien statement.

7. A lien statement filed under this section shall be a security interest perfected under chapter 554 and subject to the same priority as provided under section 554.9312.

8. If the grain dealer is also licensed under chapter 543, and in the event the department is appointed as a receiver under section 541.1, assets under the authority of the

receiver are free from this statutory lien. However, if there are receivership assets in excess of those necessary to fully reimburse depositors, the perfected lien will attach to those excess assets.

9. The board may enforce the lien in the manner provided in chapter 554, article 9, part 5, for the enforcement of security interests. If, upon enforcement of the lien, the lien amount is satisfied in full without exhaustion of the grain dealer assets, the remaining assets shall be returned to the grain dealer or, if there are competing claims to those remaining assets by other creditors, shall place those assets in the custody of the district court and implead the known creditors.

For purposes of enforcement of the lien, the board is deemed to be the secured party and the grain dealer is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 5. If a right or duty under chapter 554, article 9, part 5, is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this section.

10. Actions relating to this section shall be brought in the district court in the county in which the grain dealer's primary place of business is located or in Polk county.

Sec. 63. Section 542.15, subsection 7, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

7. a. A grain dealer shall not purchase grain on credit-sale contract during any time period in which the grain dealer fails to maintain fifty cents of net worth for each outstanding bushel of grain purchased under credit. The grain dealer may maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one

thousand dollars or fraction thereof of deficiency in net worth.

b. A grain dealer holding a federal or state warehouse license who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture shall not purchase grain on credit-sale contract to correct the shortage of grain.

c. A grain dealer must meet at least either of the following conditions:

(1) The grain dealer's last financial statement required to be submitted to the department pursuant to section 542.3 is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state.

(2) The grain dealer files a bond with the department in the amount of one hundred thousand dollars payable to the department. The bond shall be used to indemnify sellers for losses resulting from a breach of a credit-sale contract as provided by rules adopted by the department. The rules shall include, but are not limited to, procedures and criteria for providing notice, filing claims, valuing losses, and paying claims. The bond provided in this paragraph shall be in addition to any other bond required in this chapter.

A bond filed with the department under this paragraph shall not be canceled by the issuer on less than ninety days notice by certified mail to the department and the principal. When the department receives notice from an issuer that it has canceled the bond, the department shall automatically suspend the grain dealer's license if a replacement bond is not received by the department within sixty days of the issuance of the notice of cancellation. The department shall cause an inspection of the licensed grain dealer immediately at the end of the sixty-day period. If a replacement bond is not filed within another thirty days following the suspension, the grain

dealer license shall be automatically revoked. When a license is revoked, the department shall provide notice of the revocation by ordinary mail to the last known address of each holder of an outstanding credit-sale contract and all known sellers.

Sec. 64. Section 542.15, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. The department may adopt rules to suspend the right of a grain dealer to purchase grain by credit-sale contract based on any of the following conditions:

a. The grain dealer holding a federal or state warehouse license does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture.

b. The grain dealer holding a state or federal warehouse license issues back to the grain dealer a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased on credit and is unpaid for by the grain dealer.

c. The grain dealer fails to maintain requirements relating to net worth or fails to maintain a ratio of current assets to current liabilities, as required in section 542.3.

d. The grain dealer violates this section.

e. The grain dealer's total liabilities are greater than seventy-five percent of the grain dealer's total assets.

f. The grain dealer has made payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution refuses payment on the instrument because of insufficient funds in a grain dealer's account.

g. The department discovers that a grain dealer has delayed payment for grain purchased since the department last inspected the grain dealer pursuant to section 542.9.

Sec. 65. NEW SECTION. 542.22 PRIORITIZATION OF INSPECTIONS OF GRAIN DEALERS.

The department shall develop a system to prioritize the inspections of grain dealers provided in section 542.9. The system of prioritization shall be computed each year based on the risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer. The department shall compute the risk by utilizing an available statistical model to measure the financial condition of grain dealers, and especially grain dealers who execute credit-sale contracts. Procedures for utilizing the statistical model shall be adopted by department rules. The statistical model shall be used to provide risk ratings. A risk rating shall be used as a factor by the department to prioritize its inspection schedule. The department may use a risk rating produced by the statistical model as justification to inspect the grain dealer at any time. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on the statistical model shall be good cause.

Sec. 66. Section 543.1, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. "Good cause" means that the department has cause to believe that the net worth or current asset to current liability ratio of a warehouse operator presents a danger to depositors with whom the warehouse operator does business, based on evidence of any of the following:

a. The making of a payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution refuses payment on the instrument because of insufficient funds in the warehouse operator's account.

b. A violation of recordkeeping requirements provided in this chapter or rules adopted pursuant to this chapter by the department.

c. A quality or quantity shortage in the warehouse facility.

d. A high risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on a statistical model provided in section 543.40.

Sec. 67. Section 543.2, unnumbered paragraph 1, Code 1991, is amended to read as follows:

The department may exercise general supervision over the storage, warehousing, classifying according to grade or otherwise, weighing, and certification of agricultural products. The department may inspect or cause to be inspected any warehouse. Inspections may be made at times and for purposes as the department determines. Except as provided in section 543.6, the department shall cause every licensed warehouse and its contents to be inspected once in every twelve-month period. The department shall prioritize inspections based on the system provided in section 543.40. The department may require the filing of reports relating to a warehouse or its operation. If upon inspection a deficiency is found to exist as to the quantity or quality of agricultural products stored, as indicated on the warehouse operator's books and records according to official grain standards, the department may require an employee of the department to remain at the licensed warehouse and supervise all operations involving agricultural products stored there under this chapter until the deficiency is corrected. The charge for the cost of maintaining an employee of the department at a warehouse to supervise the correction of a deficiency is one hundred fifty dollars per day.

Sec. 68. Section 543.4, subsection 6, Code 1991, is amended to read as follows:

6. The department is entitled to reimbursement out of commodities or proceeds held in receivership for all expenses incurred as court costs or in handling and disposing of stored

commodities, and for all other costs directly attributable to the receivership. The right of reimbursement of the department is prior to any claims against the commodities or proceeds of sales of commodities, and constitutes a claim against a deficiency bond or irrevocable letter of credit. Notwithstanding section 8.33, the reimbursement amount received by the department in a fiscal year shall not revert unless unobligated or unencumbered on June 30 of the following fiscal year.

Sec. 69. Section 543.6, subsection 4, paragraph b, Code 1991, is amended to read as follows:

b. The warehouse operator shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a warehouse operator submit more than one such unqualified opinion per year. The warehouse operator may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that ~~the net-worth-or-current asset-to-current-liability-ratio of a licensee presents a danger to producers-or-sellers with whom the licensee-deals.~~ "Good

= Vetoed

~~cause" means that the department has evidence that the licensee issued checks on insufficient funds; evidence of a quality or quantity shortage in a warehouse facility; or evidence of violations of recordkeeping requirements.~~

Sec. 70. Section 543.6, subsection 5, paragraph b, Code 1991, is amended to read as follows:

b. The warehouse operator shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a warehouse operator submit more than one such unqualified opinion per year. The warehouse operator may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset-to-current-liability-ratio-of-a-licensee-presents-a-danger-to-producers-or-sellers-with-whom-the-licensee-deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds; evidence of a quality or quantity shortage in a warehouse facility; or evidence of violations of recordkeeping requirements.

Sec. 71. NEW SECTION. 543.12A LIEN ON WAREHOUSE OPERATOR ASSETS.

1. A statutory lien is imposed on all warehouse operator assets in favor of depositors possessing warehouse receipts covering grain stored by the warehouse operator and depositors with written evidence of ownership other than warehouse receipts disclosing a storage obligation of a warehouse operator.

2. "Warehouse operator assets" includes proceeds received or due a warehouse operator upon the sale, including exchange, collection, or other disposition, of grain sold by the warehouse operator. As used in this section, "proceeds" means noncash and cash proceeds as provided in section 554.9306. "Warehouse operator assets" also includes storage payments received or due to a warehouse operator, grain owned by the warehouse operator, and any other funds or property of the warehouse operator which can be directly traced as being from the sale of grain by the warehouse operator, or which were utilized in the business operation of the warehouse operator. A court, upon petition by an affected party, may order that claimed warehouse operator assets are not warehouse operator assets as defined in this section. The burden of proof shall be upon the petitioner to establish that the assets are not warehouse operator assets as defined in this section.

3. The lien shall arise at the commencement of the storage obligation, and shall terminate when the liability of the warehouse operator to the depositor has been discharged. The lien of all depositors is hereby assigned to the Iowa grain indemnity fund board, on behalf of the grain depositors and sellers indemnity fund.

4. To perfect the lien, the Iowa grain indemnity fund board must file a lien statement with the office of the secretary of state. The lien statement is valid only if filed on or after the date of suspension but not later than sixty days after the incurrence date as provided in section 543A.6.

The lien statement shall disclose the name of the warehouse operator, the address of the warehouse operator's principal place of business, a description of identifiable warehouse operator assets, and the amount of the lien. The lien amount shall be the board's estimate of the final cost of reimbursing the grain depositors and sellers indemnity fund for the payment of claims made against the fund resulting from the breach of the warehouse operator's obligations. The board shall correct the amount not later than one hundred eighty days following the incurrence date. A court, upon petition by an affected person, may correct the amount. The board shall have the burden of proving that the amount is an accurate estimate.

5. The Iowa grain indemnity fund board shall upon written demand of the warehouse operator file a termination statement with the secretary of state, if the license of the warehouse operator is not revoked, terminated, or canceled after one hundred eighty days from the date that the lien is perfected. Upon filing the termination statement, the lien becomes unperfected. The board shall also deliver a copy of the termination statement to the warehouse operator.

6. The secretary of state shall note the filing of a lien statement under this section in a manner provided by chapter 554, the uniform commercial code. The secretary shall note the filing of a termination statement with the lien statement.

7. A lien statement filed under this section shall be a security interest perfected under chapter 554 and subject to the same priority as provided under section 554.9312.

8. In the event the department is appointed as a receiver under section 541.3, assets under the authority of the receiver are free from this statutory lien. However, if there are receivership assets in excess of those necessary to fully reimburse depositors, the perfected lien will attach to those excess assets.

9. The Iowa grain indemnity fund board may enforce the lien in the manner provided in chapter 554, article 9, part 5, for the enforcement of security interests. If, upon enforcement of the lien, the lien amount is satisfied in full without exhaustion of the warehouse operator assets, the remaining assets shall be returned to the warehouse operator or, if there are competing claims to those remaining assets by other creditors, those assets shall be placed in the custody of the district court and the known creditors impleaded.

For purposes of enforcement of the lien, the board is deemed to be the secured party and the warehouse operator is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 5. If a right or duty under chapter 554, article 9, part 5, is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this section.

10. Actions relating to this section shall be brought in the district court in the county in which the warehouse operator's primary place of business is located or in Polk county.

Sec. 72. Section 541.17, Code 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. A licensed warehouse operator who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department shall not purchase grain on credit-sale contract to correct the shortage of grain. A licensed warehouse operator shall not issue a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased by credit sale contract and is unpaid for by the warehouse operator.

Sec. 73. Section 543.17, subsection 7, Code 1991, is amended to read as follows:

7. Every licensed warehouse operator shall, on or before July 1 of each year, send a statement for each holder of a warehouse receipt covering grain held for more than one year at that warehouse to the holder's last known address. The statement shall show the amount of all grain held pursuant to warehouse receipt for such warehouse receipt holder and the amount of any storage charges held by the licensed warehouse operator against that grain. However, a licensed warehouse operator need not prepare this annual statement for a holder of a warehouse receipt, if the licensed warehouse operator prepares such statements monthly, quarterly or for any other period more frequent than annually. ~~Failure~~ The failure to prepare a statement required by this subsection is a simple misdemeanor.

PARAGRAPH DIVIDED. Violation of this section shall not constitute grounds for suspension, revocation, or modification of the license of anyone licensed under this chapter.

Sec. 74. Section 543.33, subsection 1, paragraphs a through g, Code 1991, are amended to read as follows:

a. If the total storage capacity is one hundred thousand bushels or less, the fee is ~~thirty-five~~ fifty-eight dollars.

b. If the total storage capacity is more than one hundred thousand bushels, but not more than seven hundred fifty thousand bushels, the fee is ~~seventy-five~~ one hundred twenty-five dollars.

c. If the total storage capacity is more than seven hundred fifty thousand bushels, but not more than one million five hundred thousand bushels, the fee is one hundred ~~fifteen~~ ninety-one dollars.

d. If the total storage capacity is more than one million five hundred thousand bushels, but not more than three million bushels, the fee is ~~one two hundred fifty~~ forty-nine dollars.

e. If the total storage capacity is more than three million bushels, but not more than four million seven hundred fifty thousand bushels, the fee is ~~one three hundred eighty-five~~ seven dollars.

f. If the total storage capacity is more than four million seven hundred fifty thousand bushels, but not more than nine million five hundred thousand bushels, the fee is ~~two three hundred twenty-five~~ seventy-four dollars.

g. If the total storage capacity is more than nine million five hundred thousand bushels, the fee is ~~two four hundred sixty-five~~ forty dollars.

Sec. 75. Section 543.36, subsection 4, Code 1991, is amended to read as follows:

4. A person in violation of this chapter, or a in violation of chapter 714 or 715A involving, which violation involves the business of a warehouse operator, is subject to prosecution by the county attorney in the county where the business is located. However, if the county attorney fails to initiate prosecution within thirty days, and upon request by the department, the attorney general may initiate and carry out the prosecution in cooperation, if possible, with the county attorney. The person in violation may be restrained by injunction in an action brought by the department or the attorney general upon request by the department.

Sec. 76. Section 543.37, Code 1991, is amended to read as follows:

543.37 FAILURE TO PAY FEE.

Failure to pay the annual license fee provided for in section 543.33 on or before June 30 of the year for which due the end of the third calendar month following the close of the licensee's fiscal year shall cause a license to terminate. A warehouse license which has terminated may be reinstated by the department upon receipt of a proper renewal application, the renewal fee, and the reinstatement fee as provided for in section 543.33, if filed within thirty days from the date of

termination of the warehouse license. The department may cancel the license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter.

Sec. 77. NEW SECTION. 543.40 PRIORITIZATION OF INSPECTIONS OF WAREHOUSE OPERATORS.

The department shall develop a system to prioritize the inspections of warehouse operators provided in section 543.2. The system of prioritization shall be computed each year based on the risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator. The department shall compute the risk by utilizing an available statistical model to measure the financial condition of warehouse operators. Procedures for utilizing the statistical model shall be adopted by department rules. The statistical model shall be used to provide risk ratings. A risk rating shall be used as a factor by the department to prioritize its inspection schedule. The department may inspect a warehouse operator at any time based on a risk of loss to the fund according to the risk rating. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on the statistical model shall be good cause.

Sec. 78. NEW SECTION. 543A.5A LIEN ON LICENSEE'S ASSETS.

The board may enforce a lien attached to assets held by a licensee under chapter 542 or 543. The lien shall be perfected and enforced pursuant to section 542.12A or 543.12A.

Sec. 79. Section 544.9407, subsection 3, Code 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Upon written request, the filing officer shall issue a certificate showing whether there is on file on the date and hour stated, an effective financing statement, lien statement, or termination statement under chapter 542 or 543 naming a grain dealer or warehouse operator

as a debtor, the address of the grain dealer's or warehouse operator's principal place of business, and the grain indemnity fund board as secured creditor, identifiable grain proceeds subject to the lien, and the amount of the lien. The uniform fee for a certificate is five dollars if the request for the certificate is on a form conforming to standards prescribed by the secretary of state, or the fee is six dollars if the request is not on a form conforming to the standards.

Sec. 80. Section 715A.2, subsection 2, paragraph a, Code 1991, is amended to read as follows:

a. Forgery is a class "D" felony if the writing is or purports to be part of an issue of money, securities, postage or revenue stamps, or other instruments issued by the government, or part of an issue of stock, bonds, credit-sale contracts as defined in section 542.1, or other instruments representing interests in or claims against any property or enterprise, or a check, draft, or other writing which ostensibly evidences an obligation of the person who has purportedly executed it or authorized its execution.

Sec. 81. TRANSITION PERIOD. There shall be a transition period for implementing and enforcing provisions of this Act relating to any license period as provided in sections 542.5 and 543.37 as amended by this Act. Within the transition period, the department of agriculture and land stewardship may issue or renew licenses under chapter 542 or 543 for a period less than twelve consecutive months. The department shall prorate the fees charged for issuing or renewing the licenses for a period of less than twelve consecutive months. The transition period shall terminate on June 30, 1993.

Sec. 82. DATES OF APPLICABILITY. The liens established in sections 542.12A and 543.12A are applicable and enforceable against all grain dealer and warehouse operator licensees with an incurrence date on or after July 1, 1992.

Sec. 83. 1991 Iowa Acts, chapter 268, sections 212 and 213, are repealed.

This section, being deemed of immediate importance, takes effect upon enactment.

Sec. 84. REPEAL. Section 542.21, Code 1991, is repealed.

Sec. 85. This Act takes effect on July 1, 1992, except as otherwise provided in specific sections of this Act.

MICHAEL E. GRONSTAL
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2347, Seventy-fourth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Item veto
Approved June 3, 1992

TERRY E. BRANSTAD
Governor