

time served in confinement. Discharge from parole may be granted prior to such time, when an early discharge is appropriate. The board shall periodically review all paroles, and when it shall determine that any person on parole is able and willing to fulfill the obligations of a law-abiding citizen without further supervision, it shall discharge the person from parole. In either event, discharge from parole shall terminate the person's sentence. However, a person convicted of a violation of section 709.3, 709.4 or 709.8 committed on or with a child shall not be discharged from parole until the person's term of parole equals the period of imprisonment specified in the person's sentence, less all time served in confinement.

Approved February 10, 1986

## CHAPTER 1006

### GRAIN DEALERS AND WAREHOUSE OPERATORS

*S.F. 2064*

**AN ACT** relating to licensed dealers and warehouses for agricultural products, and providing an effective date.

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

Section 1. Section 542.1, Code Supplement 1985, is amended by adding the following new subsections:

**NEW SUBSECTION. 7.** "Bond" means a bond issued by a surety company or an irrevocable letter of credit issued by a financial institution described in subsection 8.

**NEW SUBSECTION. 8.** "Financial institution" means a bank or savings and loan association authorized by the state of Iowa or by the laws of the United States, which is a member of the federal deposit insurance corporation or the federal savings and loan insurance corporation, respectively.

Sec. 2. Section 542.4, Code 1985, is amended to read as follows:

#### 542.4 BOND REQUIRED.

An applicant for a license to operate as a grain dealer shall, as a condition to the granting of the license, file with the commission a bond payable to the state of Iowa with a corporate surety approved by the commission conditioned that the applicant will pay to the producer the purchase price of any grain to the producer; provided that. However, the aggregate liability of the surety to such persons shall in no event producers shall not exceed the sum of such the bond. The bond for each class 1 license shall be in the penal sum of fifty thousand dollars. The bond for each class 2 license shall be in the penal sum of twenty-five thousand dollars. One bond, cumulative as to minimum requirements, shall be required where if a person has more than one license, but in no event shall the total amount of bond required by this section shall not exceed three hundred thousand dollars for a class 1 licensee, or one hundred fifty thousand dollars for a class 2 licensee. No A bond shall not be canceled by a surety before at least sixty ninety days' notice by certified mail to the commission and the grain dealer. The liability of the surety shall cover covers purchases made by the grain dealer during the time the bond is in force. A grain dealer's bond filed with this the commission shall be in continuous force until canceled by the surety. The liability of the surety on any a bond required by the provisions of this chapter shall not accumulate for each successive license period during which the bond is in force.

Sec. 3. Section 543.1, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 23. "Bond" means a bond issued by a surety company or an irrevocable letter of credit issued by a financial institution described in subsection 24.

NEW SUBSECTION. 24. "Financial institution" means a bank or savings and loan association authorized by the state of Iowa or by the laws of the United States, which is a member of the federal deposit insurance corporation or the federal savings and loan insurance corporation, respectively.

Sec. 4. Section 543.11, Code 1985, is amended to read as follows:

543.11 SUSPENSION OR REVOCATION OF LICENSE FOR INSUFFICIENCY OF BOND OR INSURANCE.

When the commission determines that a bond filed under this chapter and approved by the commission, is, or has become, insufficient to secure the faithful performance of the obligations of the licensed warehouse operator, or when the commission determines that insurance is not fully provided as required under section 543.15, it may require the licensed warehouse operator to provide additional bond or additional evidence of insurance coverage so that the bond and insurance conform with the requirements of this chapter. If additional insurance is not provided within five thirty days after receipt by the licensee of notice by certified mail, the license of the warehouse operator concerned shall be automatically suspended. If additional insurance is not filed within another ten days, the warehouse license shall be automatically revoked. If additional bond is not provided within thirty sixty days after receiving notice, the warehouse license shall be suspended. If additional bond is not filed within ten days following suspension, the warehouse license shall be automatically revoked. When a license is so revoked, the commission shall notify each holder of an outstanding warehouse receipt and all known persons who have grain retained in open storage of the revocation. The commission shall further notify each receipt holder and all known persons who have grain retained in open storage that the grain must be removed from the warehouse not later than the thirtieth sixtieth day following the revocation. The notice shall be by ordinary mail sent to the last known address of each person having grain in storage as provided in this section.

~~Whenever~~ When the commission shall receive receives notice from a surety that it has canceled the bond of a warehouse operator, the commission shall automatically suspend the warehouse license if a new bond is not received by the commission within thirty sixty days of receipt of the notice of cancellation. The commission shall cause an inspection of the licensed warehouse immediately at the end of such thirty-day the sixty-day period. If a new bond is not received within sixty ninety days of receipt of the notice of cancellation the commission shall revoke the warehouse license. The commission shall cause a further inspection of the licensed warehouse at the end of such sixty-day the ninety-day period. When a license is so revoked the commission shall give notice of such the revocation to each holder of an outstanding warehouse receipt and all known persons who have grain retained in open storage. The commission shall further notify each receipt holder and all known persons who have grain retained in open storage that the grain must be removed from the warehouse not later than the ninetieth one hundred twentieth day following the commission's receipt of notice of cancellation, ~~by the commission.~~ Such The notice requiring removal of grain shall be sent by ordinary mail to the last known address of each person having grain in storage as provided in this section. The commission shall cause a final inspection of the licensed warehouse immediately after the end of such ninety-day the one hundred twenty-day period.

Sec. 5. Section 543.13, unnumbered paragraph one, is amended to read as follows:

Each bond required under section 543.12 shall be in such the form and shall contain such reasonable terms and conditions for the protection of the public as prescribed by the commission shall prescribe, and shall be endorsed as surety by a bonding company authorized to do business in this state. No bond shall be canceled by the surety on less than ninety one hundred

twenty days' notice by certified mail to the commission and the principal. ~~In no event, shall the~~ The liability of the surety on ~~any a~~ bond required by section 543.12 does not accumulate for each successive license period during which the bond is in force. The liability of the surety ~~shall be is~~ limited in the aggregate to the face amount of the bond.

Sec. 6. Section 543.15, unnumbered paragraph 1, Code 1985, is amended to read as follows:

All agricultural products in storage in a licensed warehouse, or in a warehouse operated under temporary permit as provided in this chapter, and all agricultural products which have been deposited temporarily in a licensed warehouse pending storage or for purposes other than storage, shall be kept fully insured by the warehouse operator for the current value of ~~such~~ the agricultural products against loss by fire, inherent explosion, or windstorm. ~~Such~~ The insurance shall be carried in an insurance company or companies authorized to do business in this state, and evidence of ~~such~~ the insurance coverage in a form ~~to be~~ approved by the commission shall be filed with the commission. ~~No~~ An insurance policy shall not be canceled by the insurance company on less than ~~fifteen~~ sixty days' notice by certified mail to the commission and the principal unless ~~such~~ the policy is being replaced with another policy and evidence of the new policy is filed with the commission at the time of cancellation of the policy on file. ~~Such~~ The insurance shall be provided by, and carried in the name of, the warehouse operator. Claimants against ~~such~~ the insurance shall have precedence in the following order:

Sec. 7. The legislature finds that there is an emergency condition confronting grain dealers and warehouse operators, as the availability of the bonding necessary for licensure has become extremely limited. Therefore, this bill applies to sureties which issue a notice of cancellation of a grain dealer's or warehouse operator's bond on or after the effective date of this Act, and applies to licensed grain dealers and licensed warehouse operators whose sureties issue a notice of bond cancellation on or after the effective date of this Act.

Sec. 8. This bill\*, being deemed of immediate importance, takes effect from and after its publication in The Algona Upper Des Moines, a newspaper published in Algona, Iowa, and in the Audubon News-Advocate, a newspaper published in Audubon, Iowa.

Approved February 10, 1986

I hereby certify that the foregoing Act, Senate File 2064, was published in The Algona Upper Des Moines, Algona, Iowa on February 19, 1986 and in the Audubon News-Advocate, Audubon, Iowa on February 19, 1986.

MARY JANE ODELL, *Secretary of State*

**CHAPTER 1007**  
**IOWA TAX AMNESTY ACT**  
*H.F. 764*

**AN ACT** relating to unpaid taxes, tax credits and enforcement of taxes administered by the department of revenue, making an appropriation, and providing civil and criminal penalties.

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

Section 1. Sections 1 through 4 of this Act may be cited as the "Iowa Tax Amnesty Act".

Sec. 2. DEFINITIONS. When used in sections 1 through 4 of this Act, unless the context otherwise requires:

1. "Department" means the department of revenue.

\*According to enrolled Act