

40. Prosecute violations of the Iowa drug, device, and cosmetic Act as requested by the board of pharmacy examiners as provided in section ~~203A.7~~ 203B.7.

Sec. 31. REPEALS.

1. Chapter 203, Code 1989, is repealed.
2. Sections 203A.1 through 203A.20, Code 1989, are repealed.

Sec. 32. CODE EDITOR TRANSFER. The Code editor shall transfer section 203A.21, Code 1989, to the new chapter 203B created by this Act.

Approved May 22, 1989

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## CHAPTER 198

### CORN PROMOTION BOARD

*H.F. 734*

**AN ACT** relating to the powers and duties of the Iowa corn promotion board.

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

Section 1. Section 185C.1, subsection 2, Code 1989, is amended to read as follows:

2. "Promotional order" means an order administered pursuant to this chapter which establishes a program for the promotion, research, and market development of corn and provides for ~~an~~ a state assessment to finance the program.

Sec. 2. Section 185C.1, subsection 10, Code 1989, is amended to read as follows:

10. "Assessment" means ~~an excise tax on each bushel of corn marketed in this state as provided in this chapter~~ a state or federal assessment.

Sec. 3. Section 185C.1, Code 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 13. "State assessment" means a state excise tax on each bushel of corn marketed in this state which is imposed for purposes related to market development.

NEW SUBSECTION. 14. "Federal assessment" means a federal excise tax or other charge which is imposed for purposes related to market development.

Sec. 4. Section 185C.7, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the board is reconstituted pursuant to section 185C.8, the terms of the directors shall be controlled by this section. However, the initial terms of the reconstituted board shall be staggered. To the extent practicable, one-third of the elected directors shall serve an initial term of one year, one-third of the elected directors shall serve an initial term of two years, and one-third of the elected directors shall serve an initial term of three years. The terms shall be determined by board members drawing lots. The board elected under this paragraph shall not contain two directors from the same district serving the same term.

Sec. 5. Section 185C.8, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Following recommencement of the promotional order, or termination of the promotional order's suspension as provided in section 185C.24, the secretary shall order the reconstitution of the board. An election of directors shall be held within thirty days from the date of the order. The secretary shall call for, provide for notice of, conduct, and certify the results of the election in a manner consistent with section 185C.5

through 185C.7. Directors shall serve terms as provided in section 185C.7. Rules or procedures adopted by the board and in effect at the date of suspension shall continue in effect upon reconstitution of the board. The Iowa corn growers association may nominate two resident producers as candidates for each director position. Additional candidates may be nominated by a written petition of at least twenty-five producers.

Sec. 6. Section 185C.13, Code 1989, is amended by adding the following new subsection:

**NEW SUBSECTION. 5.** To the extent provided by federal law, be responsible for collection of receipts from the federal assessment, and for expenditure of proceeds from the federal assessment.

Sec. 7. Section 185C.15, Code 1989, is amended to read as follows:

**185C.15 TERM OF PROMOTIONAL ORDER.**

A promotional order shall be effective for four years from its effective date. Upon the date that order is due to expire the order shall automatically be extended for an additional four years from the date that the order or last extension would otherwise expire, except as provided in section 185C.24.

Sec. 8. Section 185C.16, Code 1989, is amended to read as follows:

**185C.16 NOTICE OF REFERENDUM.**

Notice of a referendum election to initiate or ~~extend~~ terminate a promotional order shall be given by publication in a newspaper of general circulation in this state at least ten days prior to the date of the referendum and in any other reasonable manner as may be determined by the secretary for the initial referendum and by the board for extension of the promotional order.

Sec. 9. Section 185C.21, Code 1989, is amended to read as follows:

**185C.21 STATE ASSESSMENT.**

1. The board shall set the state assessment rate. Assessments State assessments collected pursuant to the promotional order shall be paid into the corn promotion fund established in section 185C.26. An Except as provided in subsection 2, a state assessment shall not exceed one-quarter of one cent per bushel upon corn marketed in this state. The rate of the state assessment shall be determined by the board but shall not be changed, once established, during a marketing year. However, a board which has been reconstituted pursuant to section 185C.8, may change the rate of the state assessment in the marketing year in which the board is reconstituted.

2. Upon request of the board, the secretary shall call a special referendum for producers to vote on whether to authorize an increase in the state assessment above one-quarter of one cent per bushel, notwithstanding subsection 1. The special referendum shall be conducted as provided in this chapter for referendum elections. However, the special referendum shall not affect the existence or length of the promotional order in effect. If a majority of the producers voting in the special referendum approve the increase, the board, at the end of the marketing year, may increase the assessment to the amount approved in the special referendum. However a state assessment shall not exceed one-half of one cent per bushel of corn marketed in this state.

Sec. 10. Section 185C.22, Code 1989, is amended to read as follows:

**185C.22 STATE ASSESSMENT ON PURCHASE INVOICE.**

After a promotional order has been issued, the first purchaser at the time of payment for corn shall show the total amount of state assessment deducted from the sale on the purchase invoice.

Sec. 11. Section 185C.23, Code 1989, is amended to read as follows:

**185C.23 DEDUCTION OF STATE ASSESSMENT.**

The state assessment shall be deducted from the purchase price of corn at the time of sale, and forwarded to the board by the first purchaser in the manner and at intervals determined by the board.

Sec. 12. Section 185C.24, Code 1989, is amended by striking the section and inserting in lieu thereof the following:

185C.24 CANCELLATION AND SUSPENSION.

1. The board shall be suspended and board operations and terms of members shall cease upon either of the following events:

- a. The state assessment is terminated pursuant to section 185C.25.
- b. The state assessment is suspended pursuant to section 185C.25A.

2. However, notwithstanding subsection 1, the board shall continue to operate until proceeds remaining in the corn promotion fund are disbursed. Disbursement shall be made as provided for payment of moneys under section 185C.26.

3. The secretary shall order that the board be reconstituted upon either of the following events:

- a. Recommencement of the promotional order, pursuant to section 185C.25.
- b. Termination of the promotional orders' suspension, pursuant to section 185C.25A.

4. Until the board is reconstituted under section 185C.8, the secretary has the powers to perform the duties of the board as provided in this chapter, including the collection of the state assessment at the rate in effect on the date when collection of the state assessment was terminated pursuant to section 185C.25. However, the secretary shall not expend funds from state assessment.

Sec. 13. Section 185C.25, Code 1989, is amended to read as follows:

185C.25 ~~ASSESSMENT NULLIFIED~~ ASSESSMENT NULLIFIED EFFECTIVE PERIOD OF PROMOTIONAL ORDER.

1. ~~An A~~ A state assessment adopted upon the initiation of a promotional order shall be ~~of collected during the effective period of the order, and shall have no force or effect upon termination of the promotional order. At least sixty days but not more than one hundred eighty days prior to the termination date of a promotional order, the secretary shall cause notice to be published in accordance with section 185C.16, and a referendum on the question of whether a promotional order shall be extended for an additional four-year period shall be conducted. If the secretary finds that a majority of the total number of producers voting favor the promotional order, then the order shall continue to be in effect for an additional four-year period. If a referendum should fail, another referendum shall not be held within one hundred eighty days. Upon adoption or extension of the promotional order, the order shall be effective for the period described in section 185C.15 unless the order is terminated as provided in this section or suspended as provided in section 185C.25A.~~ collected during the effective period of the order, and shall have no force or effect upon termination of the promotional order. At least sixty days but not more than one hundred eighty days prior to the termination date of a promotional order, the secretary shall cause notice to be published in accordance with section 185C.16, and a referendum on the question of whether a promotional order shall be extended for an additional four-year period shall be conducted. If the secretary finds that a majority of the total number of producers voting favor the promotional order, then the order shall continue to be in effect for an additional four-year period. If a referendum should fail, another referendum shall not be held within one hundred eighty days. Upon adoption or extension of the promotional order, the order shall be effective for the period described in section 185C.15 unless the order is terminated as provided in this section or suspended as provided in section 185C.25A.

2. ~~The secretary shall call a referendum to terminate the promotional order if all the following conditions are met:~~ The secretary shall call a referendum to terminate the promotional order if all the following conditions are met:

a. ~~The secretary receives a petition signed by at least five percent of the state's producers reported in the most recent United States census of agriculture.~~ The secretary receives a petition signed by at least five percent of the state's producers reported in the most recent United States census of agriculture.

b. ~~The petition is signed by at least five percent of the state's producers residing in each of five districts according to the most recent United States census of agriculture.~~ The petition is signed by at least five percent of the state's producers residing in each of five districts according to the most recent United States census of agriculture.

c. ~~The secretary receives the petition not less than one hundred fifty days from the date that the order is due to expire, but receives the petition not more than two hundred forty days before the date that the order is due to expire.~~ The secretary receives the petition not less than one hundred fifty days from the date that the order is due to expire, but receives the petition not more than two hundred forty days before the date that the order is due to expire.

3. ~~The secretary shall conduct the election as provided for a referendum under this chapter, including sections 185C.16 through 185C.20. If upon counting and tabulating the ballots, the secretary determines that a majority of voting producers favor termination of the state assessment, the secretary, in cooperation with the board, shall terminate the state assessment in an orderly manner as soon as practicable.~~ The secretary shall conduct the election as provided for a referendum under this chapter, including sections 185C.16 through 185C.20. If upon counting and tabulating the ballots, the secretary determines that a majority of voting producers favor termination of the state assessment, the secretary, in cooperation with the board, shall terminate the state assessment in an orderly manner as soon as practicable.

4. ~~If the assessment is terminated, another referendum shall not be held for at least one hundred eighty days from the date that the assessment is terminated. A succeeding referendum to restore the assessment shall be called by the secretary upon petition of at least five hundred producers requesting a referendum. The petitioners shall guarantee the costs of the succeeding referendum. The secretary shall conduct the election as provided for a referendum under this chapter not later than one hundred fifty days after the secretary receives the~~ If the assessment is terminated, another referendum shall not be held for at least one hundred eighty days from the date that the assessment is terminated. A succeeding referendum to restore the assessment shall be called by the secretary upon petition of at least five hundred producers requesting a referendum. The petitioners shall guarantee the costs of the succeeding referendum. The secretary shall conduct the election as provided for a referendum under this chapter not later than one hundred fifty days after the secretary receives the

petition. If a referendum held pursuant to this subsection is approved by producers, the promotional order shall commence no later than two hundred ten days following the date that the petition is received by the secretary.

Sec. 14. NEW SECTION. 185C.25A COLLECTION OF FEDERAL ASSESSMENT.

Prior to the collection of the federal assessment, the board may approve the continued collection of the state assessment during the collection of the federal assessment. If the collection of the state assessment would be in addition to, and not an offset against, the collection of the federal assessment, the board shall suspend the collection of the state assessment. On the date of the termination or suspension of the federal assessment, the promotional order shall recommence and the suspension of the state assessment shall terminate.

Sec. 15. Section 185C.26, Code 1989, is amended to read as follows:

185C.26 DEPOSIT OF FUNDS.

Assessments State assessments collected by the board from a sale of corn shall be deposited in the office of the treasurer of state together with any gifts, or any federal or state grant as may be received by the board, and placed in a special fund to be known as the corn promotion fund. Moneys collected shall be subject to audit by the auditor of state. From moneys collected, the board shall first pay all the direct and indirect costs incurred by the secretary and the costs of referendums, elections, and other expenses incurred in the administration of this chapter, and thereafter moneys may be expended for the purpose of market development. The fund shall be subject at all times to warrants by the director of revenue and finance, drawn upon the written requisition of the chairperson of the board and attested to by the secretary of the board.

Sec. 16. Section 185C.27, Code 1989, is amended to read as follows:

185C.27 REFUND OF ASSESSMENT.

A producer who has sold corn and had ~~an~~ a state assessment deducted from the sale price ~~may~~, by application in writing to the board, may secure a refund in the amount deducted. The refund shall be payable only when the application shall have been made to the board within sixty days after the deduction. Application forms shall be given by the board to each first purchaser when requested and the first purchaser shall make the applications available to any producer. Each application for refund by a producer shall have attached ~~thereto~~ to the application proof of the assessment deducted. The proof of assessment may be in the form of a duplicate or certified copy of the purchase invoice by the first purchaser. The board shall have thirty days from the date the application for refund is received to remit the refund to the producer. The board may provide for refunds of a federal assessment as provided by federal law. Unless inconsistent with federal law, refunds shall be made under section 185C.26.

Sec. 17. Section 185C.28, Code 1989, is amended to read as follows:

185C.28 APPROPRIATION.

All moneys Moneys deposited in the corn promotion fund, including federal moneys to the extent permitted by federal law, are appropriated for the administration of this chapter and for the payment of claims based upon obligations incurred in the performance of activities and functions set forth in this chapter.

Sec. 18. Section 185C.29, Code 1989, is amended to read as follows:

185C.29 REMISSION OF EXCESS FUNDS.

After the costs of elections, referendum, necessary board expenses, and administrative costs have been paid, at least seventy-five percent of the remaining funds from state assessments in the corn promotion fund shall be allocated to organizations selected by the corn promotion board on the basis of their ability to carry out the purposes of this chapter. The funds can only be used for research, promotion, and education in co-operation with agencies ~~who are~~ equipped to do this kind of work perform these activities.

The Iowa corn promotion board shall not ~~engage in~~ expend any funds on political activity, and it shall be a condition of any allocation of funds that any organization receiving funds shall not expend the funds on political activity or on any attempt to influence legislation.

Sec. 19. Section 185C.32, Code 1989, is amended to read as follows:

**185C.32 FIRST PURCHASER INFORMATION.**

Every first purchaser shall upon request furnish the secretary with such information as is necessary to enable the secretary and the board to carry out the provisions of this chapter. Such information shall be provided as prescribed by the secretary. The secretary may examine any records relating to the purchase or the state assessment of corn by any first purchaser. The secretary may hold hearings, take testimony, administer oaths, subpoena witnesses, and issue subpoenas as may be necessary for the proper administration of this chapter. When requested by the board, the secretary shall employ these powers in the manner requested.

Sec. 20. Section 185C.33, Code 1989, is amended to read as follows:

**185C.33 ANNUAL REPORT.**

The board shall make an annual report, containing a financial statement, to the secretary and the chairpersons of the committees on agriculture of the senate and house of representatives, on or before December 1 of each year, showing all income and expenses, including board expenses, and other relevant information concerning assessments collected and expended under the provisions of this chapter.

Approved May 22, 1989

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## CHAPTER 199

### NEW INFRASTRUCTURE LOAN PROJECTS

*S.F. 466*

**AN ACT** allowing a speculative industrial building built by a local community development organization to be eligible under the rural community 2000 loan program as a new infrastructure.

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

Section 1. Section 15.285, subsection 1, Code 1989, is amended to read as follows:

1. The new infrastructure category contains projects which are services or processes that do not currently meet the guidelines of standard public works projects. These include, but are not limited to, communication systems, day care, technology transfer adaptation, medical decision-support systems, special transportation services, physical improvements under town square and main street programs, physical improvements to historic, art, and cultural sites and attractions, emergency medical services, speculative shell buildings built by a local community development organization, and other projects described in section 384.24, subsection 4.

Approved May 22, 1989