

Senate Amendment 5286

Amendment Text

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1 1 Amend [House File 2491](#), as amended, passed, and
1 2 reprinted by the House, as follows:
1 3 #1. By striking everything after the enacting
1 4 clause and inserting the following:
1 5 "Section 1. Section [10B.4](#), subsection 2, Code
1 6 1999, is amended by adding the following new
1 7 paragraph:
1 8 NEW PARAGRAPH. g. If the reporting entity is a
1 9 life science enterprise, as provided in chapter 10C,
1 10 as that chapter exists on or before June 30, 2004, the
1 11 total amount of commercial sale of life science
1 12 products and products other than life science products
1 13 which are produced from the agricultural land held by
1 14 the life science enterprise.
1 15 Sec. 2. NEW SECTION. 10C.1 DEFINITIONS.
1 16 1. "Actively engaged in farming" means the same as
1 17 defined in section 10.1.
1 18 2. "Agricultural commodity" means the same as
1 19 defined in section 190C.1.
1 20 3. "Agricultural land" means land suitable for use
1 21 in farming as defined in section 9H.1.
1 22 4. "Animal" means a creature belonging to the
1 23 bovine, caprine, equine, ovine, or porcine species.
1 24 5. "Corporation" means a domestic or foreign
1 25 corporation subject to chapter 490, a nonprofit
1 26 corporation, or a cooperative.
1 27 6. "Economic development board" or "board" means
1 28 the economic development board created pursuant to
1 29 section 15.103.
1 30 7. "Family farm entity" means the same as defined
1 31 in section 10.1.
1 32 8. "Life science enterprise" or "enterprise" means
1 33 a corporation or limited liability company organized
1 34 for the purpose of using biotechnological systems or
1 35 techniques for the production of life science
1 36 products.
1 37 9. "Life science product" or "product" means a
1 38 product derived from an animal by using
1 39 biotechnological systems or techniques and which
1 40 includes only the following:
1 41 a. Embryos or oocytes for use in animal
1 42 implantation.
1 43 b. Blood, milk, or urine for use in the
1 44 manufacture of pharmaceuticals or nutraceuticals.
1 45 c. Cells, tissue, or organs for use in animal or
1 46 human transplantation.
1 47 10. "Limited liability company" means a limited
1 48 liability company as defined in section 490A.102.
1 49 Sec. 3. NEW SECTION. 10C.2 PURPOSE.
1 50 The purpose of this chapter is to promote economic
2 1 growth in this state during this period of
2 2 revolutionary technological advancement in animal and
2 3 human health sciences, by providing for the
2 4 development of industries unrelated to traditional
2 5 farming, but devoted to the production of life science
2 6 products derived from animals.
2 7 Sec. 4. NEW SECTION. 10C.3 ENTERPRISES ENGAGED

2 8 IN THE CREATION AND DEVELOPMENT OF LIFE SCIENCE
2 9 PRODUCTS PROHIBITION AND EXCEPTIONS.

2 10 Notwithstanding any other provision of law, a life
2 11 science enterprise may acquire or hold an ownership or
2 12 leasehold interest in agricultural land, if the
2 13 economic development board approves a life science
2 14 enterprise plan as provided in section 15.104. A life
2 15 science enterprise must acquire or hold the
2 16 agricultural land pursuant to the plan which may be
2 17 amended as provided by the board. However, the life
2 18 science enterprise shall not hold a total of more than
2 19 three hundred twenty acres of agricultural land. The
2 20 life science enterprise shall hold the land only for
2 21 purposes of producing life science products according
2 22 to the life science enterprise plan. The life science
2 23 enterprise may hold the interest in the agricultural
2 24 land, as provided in the plan, for as long as
2 25 commercial sales of products produced from the
2 26 agricultural land are subject to the following:

2 27 1. The sale of life science products must equal at
2 28 least seventy-five percent of commercial sales of all
2 29 products produced from the agricultural land during
2 30 any year that the life science enterprise is required
2 31 to report under section 10B.4.

2 32 2. The sale of products other than life science
2 33 products must equal not more than twenty-five percent
2 34 of commercial sales of all products produced from the
2 35 agricultural land during any year that the life
2 36 science enterprise is required to report under section
2 37 10B.4.

2 38 Sec. 5. NEW SECTION. 10C.4 ENFORCEMENT
2 39 PENALTIES.

2 40 1. The office of attorney general or a county
2 41 attorney shall enforce the provisions of this chapter.

2 42 2. A life science enterprise violating this
2 43 chapter shall be assessed a civil penalty of not more
2 44 than twenty-five thousand dollars. Each day that a
2 45 violation exists shall constitute a separate offense.
2 46 In addition, the life science enterprise shall divest
2 47 itself of any land held in violation of this chapter
2 48 within one year after judgment. The court may
2 49 determine the method of divesting an interest held by
2 50 a life science enterprise found to be in violation of
3 1 this chapter. A financial gain realized by the
3 2 enterprise which disposes of an interest held in
3 3 violation of this chapter shall be forfeited to the
3 4 general fund of the state. All court costs and fees
3 5 shall be paid by the enterprise holding the interest
3 6 in violation of this chapter.

3 7 3. The courts of this state may prevent and
3 8 restrain violations of this chapter through the
3 9 issuance of an injunction. The attorney general or a
3 10 county attorney shall institute suits on behalf of the
3 11 state to prevent and restrain violations of this
3 12 chapter.

3 13 Sec. 6. NEW SECTION. 10C.5 REPEAL.

3 14 Sections 10C.1 through 10C.4 and this section are
3 15 repealed July 1, 2004.

3 16 Sec. 7. NEW SECTION. 10C.6 EXISTING LIFE SCIENCE
3 17 ENTERPRISES.

3 18 This section applies on and after July 1, 2004.

3 19 1. a. A life science enterprise may acquire or
3 20 hold agricultural land, notwithstanding section 10C.5
3 21 as that section exists in the 2003 Code or 2003 Code
3 22 Supplement, if all of the following applies:

3 23 (1) The life science enterprise acquires the
3 24 agricultural land on or before June 30, 2004.

3 25 (2) The enterprise acquires or holds the
3 26 agricultural land pursuant to chapter 10C as that
3 27 chapter exists in the 2003 Code or 2003 Code
3 28 Supplement.

3 29 (3) The economic development board has approved a
3 30 life science enterprise plan filed on or before June
3 31 30, 2004 with the board. The enterprise must acquire
3 32 or hold the agricultural land pursuant to the plan
3 33 which may be amended at any time and approved by the
3 34 board pursuant to section 15.104.

3 35 b. The life science enterprise must file a report
3 36 with the secretary of state as provided in section
3 37 10B.4.

3 38 2. A person who is a successor in interest to a
3 39 life science enterprise may acquire or hold
3 40 agricultural land, notwithstanding section 10C.5 as
3 41 that section exists in the 2003 Code or 2003 Code
3 42 Supplement, if all of the following applies:

3 43 a. The person meets the qualifications of a life
3 44 science enterprise and acquires or holds the
3 45 agricultural land as provided in chapter 10C as that
3 46 chapter exists in the 2003 Code or 2003 Code
3 47 Supplement.

3 48 b. The person acquires or holds the agricultural
3 49 land according to the life science enterprise plan
3 50 filed by the person's predecessor in interest and
4 1 approved by the economic development board. The plan
4 2 may be amended at any time and approved by the board
4 3 pursuant to section 15.104.

4 4 c. The person has filed a notice with the economic
4 5 development board as required by the board. The
4 6 notice shall state that the person is a successor in
4 7 interest. The notice must be filed with the board
4 8 within thirty days following the person's acquisition
4 9 of the interest.

4 10 d. The person must file a report as a life science
4 11 enterprise with the secretary of state as provided in
4 12 section 10B.4.

4 13 Sec. 8. Section [15.104](#), Code 1999, is amended by
4 14 adding the following new subsection:

4 15 **NEW SUBSECTION.** 4A. Review and approve or
4 16 disapprove a life science enterprise plan or
4 17 amendments to that plan as provided in chapter 10C as
4 18 that chapter exists on or before June 30, 2004, and
4 19 according to rules adopted by the board. A life
4 20 science plan shall make a reasonable effort to provide
4 21 for participation by persons who are individuals or
4 22 family farm entities actively engaged in farming as
4 23 defined in section 10.1. The persons may participate
4 24 in the life science enterprise by holding an equity
4 25 position in the life science enterprise or providing
4 26 goods or service to the enterprise under contract.
4 27 The plan must be filed with the board not later than
4 28 June 30, 2004. The life science enterprise may file
4 29 an amendment to a plan at any time. A life science
4 30 enterprise is not eligible to file a plan, unless the
4 31 life science enterprise files a notice with the board.
4 32 The notice shall be a simple statement indicating that
4 33 the life science enterprise may file a plan as
4 34 provided in this section. The notice must be filed
4 35 with the board within thirty days from the effective
4 36 date of this Act. The notice, plan, or amendments
4 37 shall be submitted by a life science enterprise as
4 38 provided by the board. The board shall consult with
4 39 the department of agriculture and land stewardship
4 40 during its review of a life science plan or amendments
4 41 to that plan. The plan shall include information

4 42 regarding the life science enterprise as required by
4 43 rules adopted by the board, including but not limited
4 44 to all of the following:
4 45 a. A description of life science products to be
4 46 developed by the enterprise.
4 47 b. The time frame required by the enterprise to
4 48 develop the life science products.
4 49 c. The amount of capital investment required by
4 50 the enterprise to develop the life science products.
5 1 d. The number of acres of land required to produce
5 2 the life science products.
5 3 e. The type and extent of participation in the
5 4 life science enterprise by persons who are individuals
5 5 or family farm entities. If the plan does not provide
5 6 for participation or minimal participation, the plan
5 7 shall include a detailed explanation of the reasonable
5 8 effort made by the life science enterprise to provide
5 9 for participation.
5 10 Sec. 9. DIRECTIONS TO CODE EDITOR. The Code
5 11 editor may transfer section 10C.6 to another chapter
5 12 in the 2005 Code, and correct internal references as
5 13 necessary in order to enhance the readability of the
5 14 Code.
5 15 Sec. 10. EFFECTIVE DATE. This Act, being deemed
5 16 of immediate importance, takes effect upon enactment."
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5 19 _____
5 20 KEN [VEENSTRA](#)
5 21 JOHN P. [KIBBLE](#)
5 22 [HF 2491.210](#) 78
5 23 da/gg