
FISCAL UPDATE Article

Fiscal Services Division

April 27, 2021



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DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP LEASE-PURCHASE

The Legislative Services Agency (LSA) received a lease-purchase notification from the Iowa Department of Agriculture and Land Stewardship on April 22, 2021, for the purchase of a liquid chromatograph/mass spectrometer (LC/MS). The equipment will be used to identify chemical compounds in samples such as animal feed, vegetation, food, and water for the purpose of ensuring the safety of the food supply.

The estimated cost of the lease-purchase is \$245,000, including \$239,000 in principal and \$6,000 in interest. The agreement will be for a period of five years at an estimated interest rate of 1.6%. The annual debt service payments are estimated to be \$61,000. The Department will use a five-year grant from the U.S. Food and Drug Administration (FDA) to fund the lease-purchase. The Department will pay \$109,000 upon receipt and installation of the LC/MS, and the remainder will be financed over the remaining four years. The total cost of the LC/MS will be \$348,000.

Iowa Code section [8.46](#) requires State agencies proposing to enter into a lease-purchase agreement of at least \$50,000 to notify the LSA at least 30 days prior to entering into a contract. The statute also requires the LSA to submit all notifications to the Legislative Fiscal Committee.

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Doc ID 1219836