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**DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP LEASE-PURCHASE**

The Legislative Services Agency (LSA) received a lease-purchase notification from the Department of Agriculture and Land Stewardship on July 20, 2017, for the purchase of an Inductively Coupled Plasma Optical Emission Spectrometer. The spectrometer will be used to detect toxic elements contaminants (i.e., mercury) found at low levels in animal feed. It can also be used to determine the amount of nutritional additives in an animal feed such as calcium, sodium, and/or potassium. The instrument is used to analyze feed samples for label guarantees (consumer protection) and for feed safety.

The total cost of the equipment is \$90,948. The Department will use \$36,240 in federal grant funds as a down payment, leaving \$53,610 to be financed through the proposed lease-purchase.

The estimated cost of the lease-purchase is \$54,708, including \$53,610 in principal and \$1,098 in interest. The agreement will be for a period of three years at an estimated interest rate of 1.96%. The annual debt service payments are estimated to total \$18,236 and will be funded with a federal grant.

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 Iowa Code section also requires the LSA to submit all notifications to the Legislative Fiscal Committee.

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