

Senate File 2210

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1 3 AN ACT
1 4 RELATING TO THE IOWA CORN PROMOTION BOARD, INCLUDING ITS EX
1 5 OFFICIO, NONVOTING MEMBERSHIP AND THE EXPENDITURE OF MONEYS
1 6 FOR PROGRAMS.
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1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 10 Section 1. Section 185C.1, subsections 12 and 15, Code
1 11 2003, are amended to read as follows:
1 12 12. "Promotional order" means an order administered
1 13 pursuant to this chapter which establishes a program for the
1 14 promotion, research, and market development of corn provides
1 15 for the administration of this chapter and provides for a
1 16 state assessment to finance the program necessary to provide
1 17 for its administration.
1 18 15. "State assessment" means a state excise tax on each
1 19 bushel of corn marketed in this state which is imposed ~~for~~
1 20 purposes related to market development as part of a
1 21 promotional order to administer this chapter.
1 22 Sec. 2. Section 185C.1, Code 2003, is amended by adding
1 23 the following new subsection:
1 24 NEW SUBSECTION. 14A. "Secretary" means the secretary of
1 25 agriculture.
1 26 Sec. 3. Section 185C.10, Code 2003, is amended to read as
1 27 follows:
1 28 185C.10 EX OFFICIO NONVOTING MEMBERS.
1 29 The following persons shall serve on the board as ex
1 30 officio, nonvoting members:
1 31 1. The secretary, or the secretary's designee.
1 32 2. The dean of the college of agriculture of Iowa state
1 33 university of science and technology, and or the dean's
1 34 designee.
1 35 3. The director of the Iowa department of economic
2 1 development, or their designees, and two the director's
2 2 designee.
2 3 4. Two representatives of first purchaser organizations
2 4 appointed by the board shall serve on the board as ex-officio
2 5 members.
2 6 Sec. 4. Section 185C.11, Code 2003, is amended to read as
2 7 follows:
2 8 185C.11 ~~PURPOSE~~ PURPOSES AND POWERS OF THE BOARD.
2 9 1. The purposes of the board shall be to:
2 10 1- a. Provide for market development.
2 11 b. Enter into contracts or agreements with recognized and
2 12 qualified agencies or organizations for the development and
2 13 carrying out of Provide for research and education programs
2 14 directed toward better and more efficient production,
2 15 marketing, and utilization of corn and corn products.
2 16 2- c. Provide methods and means, including, but not
2 17 limited to, public relations and other promotion techniques
2 18 for the maintenance of present markets.
2 19 3- d. Assist in development of new or larger markets, both
2 20 domestic and foreign, for corn and corn products.
2 21 4- e. Work for prevention, modification, or elimination of
2 22 trade barriers which obstruct the free flow of corn and corn
2 23 products to market.
2 24 5- f. Promote the production and marketing of ethanol.
2 25 g. Administer the financial assistance program as provided
2 26 in section 185C.11A.
2 27 h. Support education and training programs, or
2 28 demonstration projects, which improve the production and
2 29 marketing of corn or corn products or which improve
2 30 environmental stewardship practices when producing corn.
2 31 i. Grant academic scholarships to full-time graduate and
2 32 postgraduate students engaged in the study of areas or
2 33 subjects relating to improving or increasing the production,
2 34 marketing, or utilization of corn or corn products.
2 35 2. The board may carry out these purposes directly or
3 1 contract with recognized and qualified persons.
3 2 Sec. 5. NEW SECTION. 185C.11A FINANCIAL ASSISTANCE
3 3 PROGRAM.
3 4 1. The board shall assist in efforts to improve the
3 5 economic conditions of corn producers by providing financial

3 6 assistance to eligible persons for purposes of supporting
3 7 projects which expand markets for all corn produced in this
3 8 state and products derived from that corn. A project must
3 9 relate to any of the following:
3 10 a. The planning, development, construction, operation, or
3 11 improvement of a new or existing value-added facility which
3 12 utilizes corn or corn products.
3 13 b. The development, production, or utilization of a
3 14 variety of corn which expresses new or specialized traits.
3 15 c. The development of products or the delivery of services
3 16 likely to increase the profits or reduce the risks associated
3 17 with corn production or marketing.
3 18 2. The board may provide financial assistance in the form
3 19 of an interest loan, low-interest loan, no-interest loan,
3 20 forgivable loan, loan guarantee, grant, letter of credit,
3 21 equity financing, principal buy-down, interest buy-down, or a
3 22 combination of these forms. The board shall not approve an
3 23 application for financial assistance under this section to
3 24 refinance an existing loan.
3 25 3. A person is eligible for financial assistance under
3 26 this section if all of the following apply:
3 27 a. The financial assistance will be used to support a
3 28 project that will provide a demonstrable benefit to corn
3 29 producers.
3 30 b. The board approves a business plan submitted by the
3 31 person. The business plan must demonstrate the person's
3 32 managerial and technical expertise to carry out the project.
3 33 c. The person agrees to comply with terms and conditions
3 34 of the financial assistance as determined by the board.
3 35 4. The board shall award financial assistance to an
4 1 eligible person based on all of the following criteria:
4 2 a. The degree to which the project will benefit corn
4 3 producers.
4 4 b. The feasibility of the project to become a viable
4 5 enterprise.
4 6 c. The amount of the investment in the project contributed
4 7 by corn producers.
4 8 d. The economic and technical viability of the processes
4 9 to be employed.
4 10 e. The economic and technical viability of the products to
4 11 be produced.

4 12 Sec. 6. Section 185C.26, Code Supplement 2003, is amended
4 13 to read as follows:

4 14 185C.26 DEPOSIT OF MONEYS == CORN PROMOTION FUND.

4 15 ~~State assessments~~ A state assessment collected by the board
4 16 from a sale of corn shall be deposited in the office of the
4 17 treasurer of state in a special fund known as the corn
4 18 promotion fund. The fund may include any gifts, rents,
4 19 royalties, interest, license fees, or a federal or state grant
4 20 received by the board. Moneys collected, deposited in the
4 21 fund, and transferred to the board as provided in this
4 22 chapter, shall be subject to audit by the auditor of state.
4 23 The department of administrative services shall transfer
4 24 moneys from the fund to the board for deposit into an account
4 25 established by the board in a qualified financial institution.
4 26 The department shall transfer the moneys as provided in a
4 27 resolution adopted by the board. However, the department is
4 28 only required to transfer moneys once during each day and only
4 29 during hours when the offices of the state are open. From
4 30 moneys collected, the board shall first pay all the direct and
4 31 indirect costs incurred by the secretary and the costs of
4 32 referendums, elections, and other expenses incurred in the
4 33 administration of this chapter, before moneys may be expended
4 34 for the purpose of market development carrying out the
4 35 purposes of this chapter as provided in section 185C.11.

5 1 Sec. 7. Section 185C.29, unnumbered paragraph 1, Code
5 2 2003, is amended to read as follows:

5 3 After the costs of elections, referendum, necessary board
5 4 expenses, and administrative costs have been paid, at least
5 5 seventy-five percent of the remaining ~~funds~~ moneys from a
5 6 state ~~assessments~~ assessment deposited in the corn promotion
5 7 fund shall be allocated used to organizations selected by the
5 8 ~~corn promotion board on the basis of their ability to carry~~
5 9 ~~out the purposes of this chapter as provided in section~~
5 10 ~~185C.11. The funds can only be used for research, promotion,~~
5 11 ~~and education in co-operation with agencies equipped to~~
5 12 ~~perform these activities.~~

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President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 2210, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2004

THOMAS J. VILSACK
Governor