



THOMAS J. VILSACK  
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON  
LT. GOVERNOR

April 2, 2004

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit:

**Senate File 2210**, an Act relating to the Iowa Corn Promotion Board, including its ex officio, nonvoting membership and the expenditure of moneys for programs.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Vilsack".

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House





SENATE FILE 2210

AN ACT

RELATING TO THE IOWA CORN PROMOTION BOARD, INCLUDING ITS EX OFFICIO, NONVOTING MEMBERSHIP AND THE EXPENDITURE OF MONEYS FOR PROGRAMS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 185C.1, subsections 12 and 15, Code 2003, are amended to read as follows:

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

15. "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~~ as part of a promotional order to administer this chapter.

Sec. 2. Section 185C.1, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 14A. "Secretary" means the secretary of agriculture.

Sec. 3. Section 185C.10, Code 2003, is amended to read as follows:

185C.10 EX OFFICIO NONVOTING MEMBERS.

The following persons shall serve on the board as ex officio, nonvoting members:

1. The secretary, or the secretary's designee.

2. The dean of the college of agriculture of Iowa state university of science and technology, and or the dean's designee.

3. The director of the Iowa department of economic development, or their designees, and two the director's designee.

4. Two representatives of first purchaser organizations appointed by the board shall serve on the board as ex officio members.

Sec. 4. Section 185C.11, Code 2003, is amended to read as follows:

185C.11 PURPOSE PURPOSES AND POWERS OF THE BOARD.

1. The purposes of the board shall be to:

~~1-~~ a. Provide for market development.

~~b. Enter into contracts or agreements with recognized and qualified agencies or organizations for the development and carrying out of~~ Provide for research and education programs directed toward better and more efficient production, marketing, and utilization of corn and corn products.

~~2-~~ c. Provide methods and means, including, but not limited to, public relations and other promotion techniques for the maintenance of present markets.

~~3-~~ d. Assist in development of new or larger markets, both domestic and foreign, for corn and corn products.

~~4-~~ e. Work for prevention, modification, or elimination of trade barriers which obstruct the free flow of corn and corn products to market.

~~5-~~ f. Promote the production and marketing of ethanol.

g. Administer the financial assistance program as provided in section 185C.11A.

h. Support education and training programs, or demonstration projects, which improve the production and marketing of corn or corn products or which improve environmental stewardship practices when producing corn.

i. Grant academic scholarships to full-time graduate and postgraduate students engaged in the study of areas or

subjects relating to improving or increasing the production, marketing, or utilization of corn or corn products.

2. The board may carry out these purposes directly or contract with recognized and qualified persons.

Sec. 5. NEW SECTION. 185C.11A FINANCIAL ASSISTANCE PROGRAM.

1. The board shall assist in efforts to improve the economic conditions of corn producers by providing financial assistance to eligible persons for purposes of supporting projects which expand markets for all corn produced in this state and products derived from that corn. A project must relate to any of the following:

a. The planning, development, construction, operation, or improvement of a new or existing value-added facility which utilizes corn or corn products.

b. The development, production, or utilization of a variety of corn which expresses new or specialized traits.

c. The development of products or the delivery of services likely to increase the profits or reduce the risks associated with corn production or marketing.

2. The board may provide financial assistance in the form of an interest loan, low-interest loan, no-interest loan, forgivable loan, loan guarantee, grant, letter of credit, equity financing, principal buy-down, interest buy-down, or a combination of these forms. The board shall not approve an application for financial assistance under this section to refinance an existing loan.

3. A person is eligible for financial assistance under this section if all of the following apply:

a. The financial assistance will be used to support a project that will provide a demonstrable benefit to corn producers.

b. The board approves a business plan submitted by the person. The business plan must demonstrate the person's managerial and technical expertise to carry out the project.

c. The person agrees to comply with terms and conditions of the financial assistance as determined by the board.

4. The board shall award financial assistance to an eligible person based on all of the following criteria:

a. The degree to which the project will benefit corn producers.

b. The feasibility of the project to become a viable enterprise.

c. The amount of the investment in the project contributed by corn producers.

d. The economic and technical viability of the processes to be employed.

e. The economic and technical viability of the products to be produced.

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


185C.26 DEPOSIT OF MONEYS -- CORN PROMOTION FUND.

~~State-assessments~~ A state assessment collected by the board from a sale of corn shall be deposited in the office of the treasurer of state in a special fund known as the corn promotion fund. The fund may include any gifts, rents, royalties, interest, license fees, or a federal or state grant received by the board. Moneys collected, deposited in the fund, and transferred to the board as provided in this chapter, shall be subject to audit by the auditor of state. The department of administrative services shall transfer moneys from the fund to the board for deposit into an account established by the board in a qualified financial institution. The department shall transfer the moneys as provided in a resolution adopted by the board. However, the department is only required to transfer moneys once during each day and only during hours when the offices of the state are open. 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, before moneys may be expended for the purpose of ~~market-development~~ carrying out the purposes of this chapter as provided in section 185C.11.

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

After the costs of elections, referendum, necessary board expenses, and administrative costs have been paid, at least seventy-five percent of the remaining ~~funds~~ moneys from a ~~state assessments~~ assessment deposited in the corn promotion fund shall be ~~allocated~~ used to ~~organizations-selected-by-the-corn-promotion-board-on-the-basis-of-their-ability-to~~ carry out the purposes of this chapter as provided in section 185C.11. ~~The-funds-can-only-be-used-for-research, promotion,~~

~~and-education-in-co-operation-with-agencies-equipped-to  
perform-these-activities.~~



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JEFFREY M. LAMBERTI  
President of the Senate



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CHRISTOPHER C. RANTS  
Speaker of the House

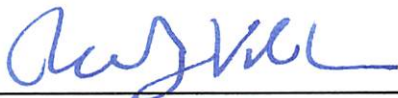
I hereby certify that this bill originated in the Senate and is known as Senate File 2210, Eightieth General Assembly.



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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved april 2, 2004



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THOMAS J. VILSACK  
Governor