

1 Commerce 3/11  
H. Res. 2/27 (p. 1137)

FEB 26 1980

Place On Calendar

HOUSE FILE 2491

By COMMITTEE ON COMMERCE

(Formerly Study Bill 702)

Passed House, Date 3-6-80 (p. 795) Passed Senate, Date 4/2/80 (p. 1302)

Vote: Ayes 43 Nays 0 Vote: Ayes 47 Nays 0

Approved April 21, 1980

## A BILL FOR

1 An Act authorizing the organization of corporations to  
2 establish, operate and maintain foreign-trade zones  
3 pursuant to 19 United States Code 81a et seq.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

2491

1 Section 1. NEW SECTION. A corporation may be organized  
2 under the laws of this state for the purpose of establishing,  
3 operating and maintaining a foreign-trade zone as defined  
4 in 19 United States Code, s. 81a. A corporation organized  
5 for the purposes set forth in this section has all powers  
6 necessary or convenient for applying for a grant of authority  
7 to establish, operate and maintain a foreign-trade zone under  
8 the provisions of 19 United States Code s. 81a, et seq., and  
9 rules promulgated thereunder, and for establishing, operating  
10 and maintaining a foreign-trade zone pursuant to that grant  
11 of authority.

12 EXPLANATION

13 Sections 81A through 81u of title 19 of the United States  
14 Code provide for the establishment of foreign-trade zones  
15 in the United States. A foreign-trade zone is an area into  
16 which foreign-made goods may be shipped free of customs duties.  
17 Under the federal law a zone may be a single warehouse, or  
18 may be a complex containing manufacturing facilities as well  
19 as storage facilities.

20 Import duties are payable upon goods shipped out of the  
21 zone and into another area of the United States. Consequently,  
22 goods which are assembled or manufactured within the zone  
23 and subsequently shipped back out of the United States are  
24 not subject to import duties. On the other hand; if the goods  
25 are shipped out of the zone and into the United States for  
26 sale, then import duties are payable after the goods are  
27 shipped, rather than when received in the foreign-trade zone.  
28 This is advantageous to the importer in that the import duties  
29 become payable more closely in time to the date of receipt  
30 of revenues from sales.

31 Section 81a of the federal law requires that a state must  
32 enact enabling legislation before a privately-owned corporation  
33 can receive a grant of authority to operate a foreign-trade  
34 zone and limits grants of authority to corporations which  
35 are "chartered" pursuant to the enabling legislation. This

1 bill contains enabling legislation.

2 The bill would take effect July first following enactment.

3

4

HOUSE FILE 2491

H-5344

1 Amend House File 2491 as follows:

2 1. Page 1, by inserting after line 11 the following  
3 new paragraph:

4 "The Iowa development commission established under  
5 chapter twenty-eight (28) of the Code is authorized  
6 and directed to establish, operate and maintain a  
7 foreign-trade zone, as defined in 19 United States  
8 Code, s. 81a, at a location which is within a radius  
9 of fifty miles of the city of Dubuque, Iowa, or as  
10 closely thereto as may be authorized by the grant  
11 of authority issued to the Iowa development commission.  
12 The Iowa development commission has all powers  
13 necessary or convenient for applying for a grant of  
14 authority to establish, operate and maintain a foreign-  
15 trade zone under the provisions of 19 United States  
16 Code, s. 81a, et seq., and rules promulgated  
17 thereunder, and for establishing, operating and  
18 maintaining a foreign-trade zone pursuant to that  
19 grant of authority."

H-5344 FILED *4/25 2/6 (p. 794)* BY MILLER of Buchanan  
FEBRUARY 29, 1980

HOUSE FILE 2491

H-5349

1 Amend House File 2491 as follows:

2 1. Page 1, by inserting after line 11 the following  
3 new paragraph:

4 "The Iowa development commission established under  
5 chapter twenty-eight (28) of the Code is authorized  
6 and directed to establish, operate and maintain a  
7 foreign-trade zone, as defined in 19 United States  
8 Code, s. 81a. The Iowa development commission is granted  
9 all powers necessary or convenient for applying for  
10 a grant of authority to establish, operate and maintain  
11 a foreign-trade zone under the provisions of 19 United  
12 States Code, s. 81a, et seq., and rules promulgated  
13 thereunder, and for establishing, operating and  
14 maintaining a foreign-trade zone pursuant to that  
15 grant of authority."

H-5349 FILED *4/25 2/6 (p. 794)* BY MILLER of Buchanan  
MARCH 3, 1980

necessary or convenient for applying for a grant of authority to establish, operate and maintain a foreign-trade zone under the provisions of 19 United States Code s. 81a, et seq., and rules promulgated thereunder, and for establishing, operating and maintaining a foreign-trade zone pursuant to that grant of authority.

HOUSE FILE 2491

AN ACT

AUTHORIZING THE ORGANIZATION OF CORPORATIONS TO ESTABLISH, OPERATE AND MAINTAIN FOREIGN-TRADE ZONES PURSUANT TO 19 UNITED STATES CODE 81A ET SEQ.

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

Section 1. NEW SECTION. A corporation may be organized under the laws of this state for the purpose of establishing, operating and maintaining a foreign-trade zone as defined in 19 United States Code, s. 81a. A corporation organized for the purposes set forth in this section has all powers

.....  
WILLIAM H. HARBOR  
Speaker of the House

.....  
TERRY E. BRANSTAD  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2491, Sixty-eighth General Assembly.

.....  
BRUCE GRAHAM  
Assistant Chief Clerk of the House

Approved April 21, 1980

.....  
ROBERT D. RAY  
Governor

H.F. 2491