

FEB 19 1982

HOUSE FILE 2363

BY COMMITTEE ON AGRICULTURE

Place On Calendar

(Formerly Study Bill 607)

Passed House, Date 3-16-82 (p 845) Passed Senate, Date 4/13/82 (P 1161)

Vote: Ayes 79 Nays 17 Vote: Ayes 47 Nays 1

Approved May 13, 1982

*Referred to committee (p 847) 2/10 3/24*

### A BILL FOR

1 An Act relating to the establishment of a soil conservation  
 2 loan program by the Iowa family farm development  
 3 authority, allowing the authority to issue its bonds  
 4 and notes for the program, and making coordinating  
 5 amendments.

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

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2363

1 Section 1. Chapter 175, Code 1981, is amended by adding  
2 the following new section:

3 NEW SECTION. SOIL CONSERVATION LOAN PROGRAM.

4 1. The authority shall establish a soil conservation loan  
5 program to facilitate the implementation of permanent soil  
6 and water conservation practices and the acquisition of  
7 conservation farm equipment for agricultural land within the  
8 state by making financing for this program available to all  
9 owners or operators of agricultural land within the state.  
10 The authority may provide this financing under the program  
11 by direct loans, loans to lenders, and the purchase of loans  
12 in the manner provided in sections 175.13 through 175.15,  
13 except that the financing pursuant to these sections shall  
14 not be limited to beginning farmers.

15 2. In addition to the other conditions and criteria estab-  
16 lished for the soil conservation loan program, the following  
17 apply:

18 a. Loans made pursuant to the soil conservation loan pro-  
19 gram shall only be made to the owner or operator of a farm  
20 located within the state for which a conservation plan has  
21 been developed by the soil conservation district.

22 b. The program and financing provided pursuant to the  
23 program shall not be limited to beginning farmers but shall  
24 be available to all owners or operators of agricultural land  
25 within the state.

26 c. The department of soil conservation or any other state  
27 agency and the commissioners and staffs of the soil  
28 conservation districts are authorized to provide technical  
29 and financial assistance to the authority or in connection  
30 with the soil conservation loan program to assure the success  
31 of this program.

32 d. The amount of financing that may be provided under  
33 the soil conservation loan program shall not exceed the cost  
34 of implementing the permanent soil and water conservation  
35 practice or of acquiring the conservation farm equipment which

1 the owner or operator is seeking to implement or acquire less  
2 any amounts the owner or operator will receive in public cost-  
3 sharing funds under chapter 467A or other provisions of state  
4 or federal law for such implementation or acquisition.

5 However, the maximum amount of loans that an owner or operator  
6 may receive in one year pursuant to this program shall not  
7 exceed twenty-five thousand dollars.

8 3. The authority may issue its bonds and notes for the  
9 purposes set forth in subsection 1 and may enter into a lending  
10 agreement or purchase agreement with one or more bondholders  
11 or noteholders containing the terms and conditions of the  
12 repayment of and the security for the bonds or notes. Bonds  
13 and notes must be authorized by a resolution of the authority.

14 The authority and the bondholders or noteholders may enter  
15 into an agreement to provide for any of the following:

16 a. That the proceeds of the bonds and notes and invest-  
17 ments thereon may be received, held, and disbursed by the  
18 bondholders or noteholders, or by a trustee or agent desig-  
19 nated by the authority.

20 b. That the bondholders or noteholders or a trustee or  
21 agent designated by the authority, may collect, invest, and  
22 apply the amounts payable under the loan agreement or any  
23 other security instrument securing the debt obligation of  
24 the owner or operator of the agricultural land.

25 c. That the bondholders or noteholders may enforce the  
26 remedies provided in the loan agreement or security instrument  
27 on their own behalf without the appointment or designation  
28 of a trustee and if there is a default in the principal of  
29 or interest on the bonds or notes or in the performance of  
30 any agreement contained therein, the payment or performance  
31 may be enforced in accordance with the provisions contained  
32 therein.

33 d. That if there is a default in the payment of the prin-  
34 cipal or interest on a mortgage or security instrument or  
35 a violation of an agreement contained in the mortgage or

1 security instrument, the mortgage or security instrument may  
2 be foreclosed or enforced and any collateral sold under  
3 proceedings or actions permitted by law and a trustee under  
4 the mortgage or security agreement or the holder of any bonds  
5 or notes secured thereby may become a purchaser if it is the  
6 highest bidder.

7 e. Other terms and conditions.

8 4. The authority may provide in the resolution authorizing  
9 the issuance of the bonds or notes that the principal and  
10 interest are limited obligations payable solely out of the  
11 revenues derived from the debt obligation, collateral, or  
12 other security furnished by or on behalf of the owner or  
13 operator of the agricultural land, and that the principal  
14 and interest do not constitute an indebtedness of the authority  
15 or a charge against its general credit or general fund.

16 5. The powers granted the authority under this section  
17 are in addition to other powers contained in this chapter.  
18 All other provisions of this chapter, except section 175.12,  
19 section 175.17, subsection 9 and section 175.19, subsection  
20 4, apply to bonds or notes issued pursuant to and powers  
21 granted to the authority under this section except to the  
22 extent that they are inconsistent with this section.

23 Sec. 2. Section 175.2, Code 1981, is amended by adding  
24 the following new subsections:

25 NEW SUBSECTION. "Permanent soil and water conservation  
26 practices" and "temporary soil and water conservation  
27 practices" have the same meaning as defined in section 467A.42.

28 NEW SUBSECTION. "Conservation farm equipment" means the  
29 specialized planters used for row crops.

30 Sec. 3. Section 175.3, subsection 1, Code 1981, is amended  
31 to read as follows:

32 1. The Iowa family farm development authority is  
33 established, and constituted a public instrumentality and  
34 agency of the state exercising public and essential  
35 governmental functions. The authority is established to

1 undertake programs which assist beginning farmers in purchasing  
2 agricultural land and agricultural improvements and depreciable  
3 agricultural property for the purpose of farming and programs  
4 which provide financing to farmers for permanent soil and  
5 water conservation practices on agricultural land within the  
6 state or for the acquisition of conservation farm equipment.

7 The powers of the authority shall be vested in and exercised  
8 by a board of eleven members with nine members appointed by  
9 the governor with the approval of two-thirds of the members  
10 of the senate. The treasurer of the state and the state  
11 secretary of agriculture are ex officio nonvoting members.  
12 No more than five members shall belong to the same political  
13 party. As far as possible the governor shall include within  
14 the membership persons who represent financial institutions  
15 experienced in agricultural lending, the real estate sales  
16 industry, farmers, beginning farmers, average taxpayers, local  
17 government, and any other person specially interested in  
18 family farm development.

19 Sec. 4. Section 175.4, Code 1981, is amended by adding  
20 the following new subsections:

21 NEW SUBSECTION. The erosion of topsoil on agricultural  
22 land by wind and water is a serious problem within the state  
23 and one which threatens to destroy the natural resource most  
24 responsible for Iowa's prosperity.

25 NEW SUBSECTION. It is necessary to the preservation of  
26 the economy and well-being of the state to encourage soil  
27 conservation practices by providing loans for permanent soil  
28 and water conservation practices on agricultural land within  
29 the state and for the acquisition of conservation farm  
30 equipment.

31 Sec. 5. Section 175.11, Code 1981, is amended to read  
32 as follows:

33 175.11 COMBINATION PROGRAMS. Programs authorized in this  
34 chapter may be combined with any other programs authorized  
35 in this chapter, under chapter 220 or under a federal program

1 in order to facilitate as far as practicable the acquisition  
2 of agricultural land and property by beginning farmers or  
3 to facilitate the implementation of permanent or temporary  
4 soil and water conservation practices.

5 EXPLANATION

6 The bill empowers the family farm development authority  
7 to issue its bonds and notes to provide financing for permanent  
8 soil and water conservation practices and for the acquisition  
9 of specialized farm planters used for row crops. However,  
10 the authority's power to finance these activities is available  
11 to all farmers and not just beginning farmers as are its other  
12 programs. The bill limits to \$25,000 per year the amount  
13 of financing that may be obtained through the authority for  
14 permanent soil and water conservation practices or for the  
15 acquisition of specialized farm planters.

16 The bill takes effect July 1 following enactment.

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HOUSE FILE 2363

H-5222

Amend House File 2363 as follows:

1. Page 1, line 21, by inserting after the word "district." the words "Such plan shall fulfill the requirements under department of soil conservation programs for receipt of soil conservation cost-sharing funds for use in the implementation of permanent soil and water conservation practices and the plan shall accompany the application for loan. Loans under the soil conservation loan program shall not be remitted to the applicant until the applicant provides a receipt that the implementation of the permanent soil and water conservation practice is paid for and the department of soil conservation certifies that the practice is in conformance with the conservation plan."

H-5222 FILED FEBRUARY 23, 1982 BY HUMMEL of Benton  
H/2 3/2 (p 591) BY PELLETT of Cass ANDERSON of Audubon  
DE GROOT of Lyon HALVORSON of Webster

HOUSE FILE 2363

H-5231

Amend House File 2363 as follows:

1. Page 2, line 13, by inserting after the word "authority." the words "However, the authority shall not have a total principal amount of bonds and notes outstanding under this section at any time in excess of twenty-five percent of the limitation on the amount of bonds and notes outstanding at any time specified in section 175.17, subsection 1."

2. Page 5, by inserting after line 4 the following:

"Sec.     . Section 175.17, subsection 1, Code 1981, is amended to read as follows:

1. The authority may issue its negotiable bonds and notes in principal amounts which, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds and notes, the establishment of reserves to secure its bonds and notes and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. However, the authority may not have a total principal amount of bonds and notes outstanding at any time in excess of one two hundred fifty million dollars. The bonds and notes shall be deemed to be investment securities and negotiable instruments within the meaning of and for all purposes of the uniform commercial code."

3. Title page, line 4, by inserting after the word "program," the words "increasing the bonding limit of the authority,".

H-5231 FILED FEBRUARY 23, 1982 BY DAVITT of Warren  
A. Lost 3/2 (p 594) SULLIVAN of Van Buren KNAPP of Dubuque  
motion to re-revise (598) COCHRAN of Webster WELSH of Dubuque

B. Belated not germane (p 597)  
C. Belated not germane (p 595)

HOUSE FILE 2363

H-5204

- 1 Amend House File 2363 as follows:
- 2 1. Page 1, by striking lines 20 and 21 and
- 3 inserting in lieu thereof the words "located within
- 4 the state for the construction of permanent soil and
- 5 water conservation practices which are included in
- 6 a conservation plan that has been developed for that
- 7 farm by the soil conservation district. Loans may
- 8 also be made for the acquisition of conservation farm
- 9 equipment by an owner or operator of a farm located
- 10 within the state."
- 11 2. Page 4, line 34, by inserting after the words
- 12 "combined with" the words "an erosion control program
- 13 sponsored by another state agency or".

H-5204 FILED  
 FEBRUARY 22, 1982  
*7/10 3/2 (p. 591)*

BY ANDERSON of Audubon  
 DIELEMAN of Marion  
 DE GROOT of Lyon

HOUSE FILE 2363

H-5220

- 1 Amend House File 2363 as follows:
- 2 1. Page 1, line 8, by striking the word "all".
- 3 *5200* 2. Page 1, line 21, by inserting after the word
- 4 *5350* "district" the words "and, if the loan is to finance
- 5 the implementation of a permanent soil and water
- 6 conservation practice, the conservation practice shall
- 7 be part of the conservation plan".
- 8 3. Page 1, line 25, by inserting after the word
- 9 "state" the words ", except that financing for the
- 10 acquisition of conservation farm equipment is limited
- 11 to owners or operators of agricultural land who have
- 12 a low or moderate net worth".

H-5220 FILED FEBRUARY 23, 1982 BY MULLINS of Kossuth  
*Adopted as amended* COCHRAN of Webster MANN of Greene  
*by 5260 3/2 (p. 591)* NORLAND of Worth RITSEMA of Sioux  
 McKEAN of Jones PELTON of Clinton  
 TOFTE of Winneshiek SMALLEY of Polk  
 BYERLY of Polk

HOUSE FILE 2363

H-5233

- 1 Amend House File 2363 as follows:  
 2 1. Page 1, line 8, by striking the word "all".  
 3 2. Page 1, line 25, by inserting after the word  
 4 "state" the words ", except that financing for the  
 5 implementation of permanent soil and water conservation  
 6 practices is limited to owners or operators of  
 7 agricultural land who have a net worth of less than  
 8 five hundred thousand dollars".

H-5233 FILED FEBRUARY 23, 1982 BY DAVITT of Warren

*H-5233 3/2 (p. 591)* *Remitted 3/16/82* *House 3/16 (p. 844)*

*B-Adopted 3/2 (p. 605)*  
*met. C. M. M. HOUSE FILE 2363*

H-5246

- 1 Amend amendment H-5232 to House File 2363 as  
 2 follows:  
 3 1. Page 1, by striking lines 8 through 12 and  
 4 inserting in lieu thereof the words "applicant until  
 5 the applicant provides certification from the soil  
 6 conservation district that the implementation of the  
 7 permanent soil and water conservation practice is  
 8 completed and approved".

H-5246 FILED FEBRUARY 24, 1982 BY COCHRAN of Webster

*4/2 3/2 (p. 591)*

KNAPP of Dubuque DAVITT of Warren  
 WELSH of Dubuque SULLIVAN of Van Buren

HOUSE FILE 2363

H-5260

- 1 Amend amendment H-5220 to House File 2363 as  
 2 follows:  
 3 1. Page 1, by striking lines 3 through 7 and  
 4 inserting in lieu thereof the following:  
 5 "2. Page 1, line 21, by inserting after the word  
 6 "district" the words "and the project for which the  
 7 loan is to be made has been approved by the district.  
 8 However, loans under the soil conservation loan program  
 9 for implementation of a permanent soil and water  
 10 conservation practice shall not be remitted to the  
 11 applicant until the applicant provides evidence that  
 12 payment of the permanent soil and water conservation  
 13 practice is arranged for and the soil conservation  
 14 district certifies that the practice is completed  
 15 and approved".

H-5260 FILED FEBRUARY 25, 1982 BY HUMMEL of Benton

*Adopted 3/2 (p. 591)*

COCHRAN of Webster WELSH of Dubuque  
 MULLINS of Kossuth DAVITT of Warren  
 ANDERSON of Audubon SULLIVAN of Van Buren  
 PELLETT of Cass HALVORSON of Webster  
 KNAPP of Dubuque

HOUSE FILE 2363

H-5224

- 1 Amend House File 2363 as follows:
- 2 1. Page 1, line 8, by inserting after the word
- 3 "all" the word "credit worthy".
- 4 2. Page 1, line 24, by inserting after the word
- 5 "all" the word "credit worthy".

H-5224 FILED FEBRUARY 23, 1982 BY WELSH of Dubuque  
 A- *W/O 3/12 (p. 810)* DAVITT of Warren KNAPP of Dubuque  
 B- *Adopted (p. 811)* SULLIVAN of Van Buren BYERLY of Polk  
 COCHRAN of Webster

HOUSE FILE 2363

H-5226

- 1 Amend House File 2363 as follows:
- 2 1. Page 5, line 3, by striking the words "or
- 3 temporary".
- 4 2. Page 5, line 4, by inserting after the word
- 5 "practices" the words "and the acquisition of
- 6 conservation farm equipment".

H-5226 FILED FEBRUARY 23, 1982 BY SULLIVAN of Van Buren  
*Adopted 3/12 (p. 594)* COCHRAN of Webster WELSH of Dubuque  
 KNAPP of Dubuque DAVITT of Warren

HOUSE FILE 2363

H-5228

- 1 Amend House File 2363 as follows:
- 2 1. Page 3, line 29, by inserting after the word
- 3 "crops" the words "and equipment, excluding aerial
- 4 equipment, used for the spraying of agricultural
- 5 crops".

*5228*  
 H-2363 FILED FEBRUARY 23, 1982 BY HUMMEL of Benton  
*Adopted 3/12 (p. 594)* ANDERSON of Anderson

HOUSE FILE 2363

H-5232

- 1 Amend House File 2363 as follows:
- 2 1. Page 1, line 21, by inserting after the word
- 3 "district" the words "and the project for which the
- 4 loan is made has been approved by the district.
- 5 However, loans under the soil conservation loan program
- 6 for implementation of a permanent soil and water
- 7 conservation practice shall not be remitted to the
- 8 applicant until the applicant provides a receipt that
- 9 the implementation of the permanent soil and water
- 10 conservation practice is paid for and the soil
- 11 conservation district certifies that the practice
- 12 is in conformance with the conservation plan".

H-5232 FILED FEBRUARY 23, 1982 BY COCHRAN of Webster  
*W/O 3/12 (p. 591)* KNAPP of Dubuque DAVITT of Warren  
 WELSH of Dubuque SULLIVAN of Van Buren

HOUSE FILE 2363

H-5263

- 1 Amend amendment H-5231 to House File 2363 as
- 2 follows:
- 3 1. Page 1, line 7, by striking the word
- 4 "outstanding".

H-5263 FILED FEBRUARY 25, 1982 BY DAVITT of Warren  
*Adopted 3/2 (p 593)*

HOUSE FILE 2363

H-5282

- 1 Amend amendment H-5226 to House File 2363,
- 2 as follows:
- 3 1. Page 1, by striking line 6 and inserting in
- 4 lieu thereof the following: "conservation farm
- 5 equipment. Conservation farm equipment acquired
- 6 under a program authorized in this chapter does not
- 7 qualify, for Iowa income tax purposes, for
- 8 accelerated depreciation treatment authorized by
- 9 the amendments to the Internal Revenue Code of 1954
- 10 made by the Economic Recovery Tax Act of 1981".

H-5282 FILED MARCH 2, 1982  
RULED NOT GERMANE-MOTION TO  
SUSPEND RULES, LOST (*p 596*)

BY KREWSO of Polk

HOUSE FILE 2363

H-5297

1 Amend House File 2363 as follows:

2 1. Page 2, by inserting after line 7 the following:

3 "e. If the financing is for the acquisition of  
4 conservation farm equipment the person receiving the  
5 financing shall sign an affidavit which shall be  
6 forwarded to the department of revenue that any  
7 deduction for depreciation allowed under section 168  
8 of the Internal Revenue Code of 1954 as amended to  
9 and including January 1, 1982 shall not be taken on  
10 the conservation farm equipment for purposes of the  
11 state income tax. This paragraph constitutes a  
12 disallowance of such deduction for depreciation for  
13 state income tax purposes and the taking of such  
14 depreciation shall constitute a filing of a false  
15 return for purposes of the penalties provided in  
16 divisions II and III of chapter 422."

17 2. Page 3, by inserting after line 22 the  
18 following:

19 "\_\_\_\_\_. Beginning July 1, 1985, there is appropriated  
20 to the authority from the general fund of the state  
21 an amount equal to ten percent of the face value of  
22 the bonds or notes issued by the authority under this  
23 section. The state comptroller shall pay to the  
24 authority within thirty days of the issuance of the  
25 bonds or notes the appropriation provided for in this  
26 subsection. The authority shall notify the comptroller  
27 of the date of the issuance of the bonds or notes.  
28 Moneys received by the authority under this subsection  
29 shall be used only for the purposes for which the  
30 bonds or notes were issued."

31 3. Page 3, by inserting after line 22 the  
32 following:

33 "\_\_\_\_\_. Before bonds or notes may be issued under  
34 this section, the general assembly shall pass a  
35 concurrent resolution which authorizes the authority  
36 to issue those bonds or notes for the purposes and  
37 amount set forth by the authority."

H-5297 FILED MARCH 2, 1982 BY KREWSON of Polk

*A - Budget not given on 3/12 (p. 812)  
B, C - Loss 3/15 (p. 822)*

HOUSE FILE 2363

H-5295

3 Amend House File 2363 as follows:  
4 1. Page 3, line 9, by inserting after the  
5 word "and" the words "and the authority".

H-5295 FILED BY WELSH of Dubuque  
MARCH 2, 1982 COCHRAN of Webster  
DAVITT of Warren

*Adopted 3/12 (p. 810)  
Reconsidered & Adopted (p. 811)  
Record on page 810 expunged*

HOUSE FILE 2363

H-5331

1 Amend House File 2363 as follows:  
2 1. Page 2, by inserting after line 7 the following:  
3 "e. If a cooperator of a soil conservation district  
4 qualifies for cost sharing under a federal program,  
5 the cooperator is eligible for a loan request. In  
6 granting these requests the authority shall give  
7 preference to those with the lower net worths which  
8 are to be calculated on the per acre ratio in  
9 conjunction with critical need area statistics."

BY MAULSBY of Calhoun  
SCHNEKLOTH of Scott  
DE GROOT of Lyon  
BRANSTAD of Winnebago  
HARBOR of Mills

H-5331 FILED  
MARCH 5, 1982  
*2/10 3/12 (p. 812)*

HOUSE FILE 2363

H-5332

1 Amend House File 2363 as follows:  
2 1. Page 2, by inserting after line 7 the following:  
3 "e. If a cooperator of a soil conservation district  
4 qualifies for cost sharing under a federal program,  
5 the cooperator is eligible for a loan request. In  
6 granting these requests the authority shall give  
7 preference to those with the lower net worths."

BY MAULSBY of Calhoun  
COOK of Hardin  
DE GROOT of Lyon  
BRANSTAD of Winnebago

H-5332 FILED  
MARCH 5, 1982  
*Adopted on amendment by 5402  
3/12 (p. 813)*

HOUSE FILE 2363

H-5333

1 Amend amendment H-5233B to House File 2363 as  
2 follows:  
3 1. Page 1, by inserting after line 8, the  
4 following:  
5 "\_\_\_\_. Page 1, line 25, by inserting after the  
6 period the following: "If a cooperator of a soil  
7 conservation district qualifies for cost sharing under  
8 a federal program, the cooperator is eligible for a loan  
9 request. In granting these requests the authority shall  
10 give preference to those with the lower net worths."

H-5333 FILED MARCH 5, 1982 BY MAULSBY of Calhoun

*2/10 3/16 (p. 843)*

HOUSE FILE 2363

H-5325

- 1 Amend House File 2363 as follows:
- 2 1. Page 1, lines 6 and 7, by striking the words
- 3 "and the acquisition of conservation farm equipment".
- 4 2. Page 1, by striking line 35 and inserting in
- 5 lieu thereof the words "practice which".
- 6 3. Page 2, line 1, by striking the words "or
- 7 acquire".
- 8 4. Page 2, line 4, by striking the words "or
- 9 acquisition".
- 10 5. Page 3, line 24, by striking the word
- 11 "subsections" and inserting in lieu thereof the word
- 12 "subsection".
- 13 6. Page 3, by striking lines 28 and 29.
- 14 7. Page 4, by striking line 6 and inserting in
- 15 lieu thereof the word "state."
- 16 8. Page 4, by striking lines 29 and 30 and
- 17 inserting in lieu thereof the words "the state."

H-5325 FILED  
MARCH 4, 1982  
*H/S 3/12 (p. 809)*

BY ANDERSON of Audubon  
PELLETT of Cass  
COOK of Hardin

HOUSE FILE 2363

H-5326

- 1 Amend amendment H-5220 to House File 2363 as
- 2 follows:
- 3 1. Page 1, by striking lines 8 through 12.

H-5326 FILED  
MARCH 4, 1982  
*H/S 3/16 (p. 845)*

BY ANDERSON of Audubon  
PELLETT of Cass  
COOK of Hardin

HOUSE FILE 2363

H-5324

- 1 Amend amendment H-5226 to House File 2363 as
- 2 follows:
- 3 1. Page 1, by striking lines 4 through 6.

H-5324 FILED  
MARCH 4, 1982  
*H/S 3/16 (p. 845)*

BY ANDERSON of Audubon  
PELLETT of Cass  
COOK of Hardin

H-376

1 Amend House File 2363 as follows:

2 1. Page 3, by inserting after line 22 the  
3 following:

4 "Sec. \_\_\_\_ Chapter 175, Code 1981, is amended  
5 by adding the following new section:

6 NEW SECTION. CORN STORAGE FACILITY LOAN PROGRAM.

7 1. The authority shall establish a storage facility  
8 loan program to facilitate the acquisition of storage  
9 facilities by a farmer who owns or operates  
10 agricultural land within the state for the purpose  
11 of storing the farmer's corn on the land. The  
12 authority may provide this financing under the program  
13 by direct loans, loans to lenders, and the purchase  
14 of loans in the manner provided in sections 175.13  
15 through 175.15, except that the financing pursuant  
16 to these sections shall not be limited to beginning  
17 farmers but shall be limited to those farmers who  
18 own or operate agricultural land within the state  
19 and who intend to and are eligible to participate  
20 in the federal three-year corn reserve program.

21 2. In addition to the other conditions and criteria  
22 established for the storage facility loan program,  
23 the following apply:

24 a. The program and financing provided pursuant  
25 to the program is not limited to beginning farmers  
26 but shall be limited to those farmers who own or  
27 operate agricultural land within the state, who intend  
28 to and are eligible to participate in the federal  
29 three-year corn reserve program, and who will use  
30 the facilities to store their corn on the land they  
31 own or operate.

32 b. Loans made pursuant to the program shall not  
33 be made to farmers with a net worth greater than eight  
34 hundred thousand dollars.

35 c. The amount of any loan made to a farmer under  
36 the program shall not exceed seventy-five percent  
37 of the total cost of the corn storage facility.

38 3. The authority may issue its bonds and notes  
39 for the purposes set forth in subsection 1. Bonds  
40 and notes must be authorized by a resolution of the  
41 authority. However, the principal amount of bonds  
42 and notes outstanding under this section at any time  
43 shall not exceed forty million dollars. The authority  
44 may enter into a lending agreement or purchase  
45 agreement with the bondholders or noteholders  
46 containing the terms and conditions of the repayment  
47 and security for the bonds or notes. The authority  
48 and the bondholders or noteholders may enter into  
49 an agreement to provide for any of the items listed  
50 in paragraphs a through e of subsection 3 of section

- 1 1 of this Act.  
2 4. Subsections 4 and 5 of section 1 of this Act  
3 apply to this section to the extent they are  
4 consistent."  
5 2. Page 4, line 6, by inserting after the word  
6 "equipment" the words "or corn storage facilities".  
7 3. Page 5, line 2, by inserting after the word  
8 "farmers" the words ", acquisition by farmers of corn  
9 storage facilities,".  
10 4. Page 5, by inserting after line 4 the following:  
11 "Sec. \_\_\_\_ . Section 175.17, subsection 1, Code  
12 1981, is amended to read as follows:  
13 1. The authority may issue its negotiable bonds  
14 and notes in principal amounts which, in the opinion  
15 of the authority, are necessary to provide sufficient  
16 funds for achievement of its corporate purposes, the  
17 payment of interest on its bonds and notes, the  
18 establishment of reserves to secure its bonds and  
19 notes and all other expenditures of the authority  
20 incident to and necessary or convenient to carry out  
21 its purposes and powers. However, the authority may  
22 not have a total principal amount of bonds and notes  
23 outstanding at any time in excess of one hundred ~~and~~  
24 ninety million dollars. The bonds and notes shall  
25 be deemed to be investment securities and negotiable  
26 instruments within the meaning of and for all purposes  
27 of the uniform commercial code."  
28 5. Title page, line 2, by inserting after the  
29 word "loan" the words "or a corn storage facility  
30 loan".  
31 6. Title page, line 4, by inserting after the  
32 word "program," the words "increasing the bonding  
33 limit of the authority,".  
34 7. Renumber as necessary.

BY NORLAND of Worth  
DAVITT of Warren  
COCHRAN of Webster

H-5376 FILED  
MARCH 10, 1982

*Amended & Referred not germane 3/15 (p. 825)*

HOUSE FILE 2363

H-5395

1 Amend House File 2363 as follows:  
2 1. Page 1, line 14, by inserting after the word  
3 "farmers." the words "In addition under the program,  
4 the authority may enter into a loan agreement with  
5 the owner or operator to finance in whole or in part  
6 the implementation of permanent soil and water  
7 conservation practices and the acquisition of  
8 conservation farm equipment for agricultural land  
9 in the state. The repayment obligation of the owner  
10 or operator may be unsecured, or may be secured by  
11 a mortgage or security agreement or by other security  
12 as the authority deems advisable, and may be evidenced  
13 by one or more notes of the owner or operator. The  
14 loan agreement may contain terms and conditions as  
15 the authority deems advisable."

H-5395 FILED MARCH 11, 1982

BY ANDERSON of Audubon

*Adopted 3/12 (p. 809)*

HOUSE FILE 2363

H-5402

1 Amend amendment H-5332 to House File 2363, as  
2 follows:  
3 1. Page 1, line 4, by striking the word  
4 "federal" and inserting in lieu thereof the words  
5 "state soil conservation cost share".

H-5402 FILED MARCH 12, 1982

BY MAULSBY of Calhoun

ADOPTED (p. 813)

HOUSE FILE 2363

H-5401

1 Amend amendment H-5233 to House File 2363 as  
2 follows:  
3 1. Page 1, line 8, by striking the word "five"  
4 and inserting in lieu thereof the word "eight".

H-5401 FILED MARCH 12, 1982

BY BYERLY of Polk

*Lost 3/16 (p. 843)*

HOUSE FILE 2363

432

1 Amend House File 2363 as follows:

2 1. Page 5, by inserting after line 4 the following:

3 "Sec. \_\_\_\_ Section 422.43, Code 1981, is amended

4 by adding the following new unnumbered paragraph:

5 NEW UNNUMBERED PARAGRAPH. Notwithstanding the

6 rate of tax of three percent imposed under other

7 provisions of this section and section 423.2, there

8 is imposed a tax at the rate of only one percent under

9 this section and section 423.2 on the gross receipts

10 from the sale of all foods for human consumption which

11 are eligible for purchase with food coupons issued

12 by the United States department of agriculture pursuant

13 to regulations in effect on July 1, 1974, regardless

14 of whether the retailer from which the foods are

15 purchased is participating in the food stamp program.

16 However, as used in this paragraph, "food" does not

17 include meals prepared for immediate consumption on

18 or off the premises of the retailer, and does not

19 include foods sold through vending machines.

20 Sec. \_\_\_\_ Section 422.45, subsection 12, Code

21 1981, is amended to read as follows:

22 12. Gross receipts from the sale of all foods

23 for human consumption which are eligible for purchase

24 and are purchased with food coupons issued by the

25 United States department of agriculture pursuant to

26 regulations in effect on July 1, 1974, ~~regardless~~

27 ~~of-whether-the-retailer-from-which-the-foods-are~~

28 ~~purchased-is-participating-in-the-food-stamp-program.~~

29 However, as used in this subsection, "foods" does

30 not include meals prepared for immediate consumption

31 on or off the premises of the retailer, and does not

32 include foods sold through vending machines.

33 Sec. \_\_\_\_ Section 467A.48, Code 1981, is amended

34 by adding the following new unnumbered paragraph:

35 NEW UNNUMBERED PARAGRAPH. Beginning with the

36 fiscal year beginning July 1, 1983, there is

37 appropriated annually from the state general fund

38 to a special account in the treasurer of state's

39 office to be used to provide public cost-sharing funds

40 pursuant to this section an amount equal to the

41 revenues received in the preceding fiscal year from

42 the taxes imposed under sections 422.43 and 423.2

43 on the gross receipts from the sale of all foods for

44 human consumption which are eligible for purchase

45 with food coupons issued by the United States

46 department of agriculture pursuant to regulations

47 in effect on July 1, 1974, regardless of whether the

48 retailer from which the foods are purchased is

49 participating in the food stamp program. However,

50 as used in this paragraph, "food" does not include

H-5432  
Page Two

- 1 meals prepared for immediate consumption on or off  
2 the premises of the retailer, and does not include  
3 foods sold through vending machines."  
4 2. Title page, line 4, by inserting after the  
5 word "program" the words ", imposing a tax on the  
6 sale of certain foods for human consumption under  
7 the state sales, services and use tax and appropriating  
8 the revenues to provide public cost-sharing funds  
9 for soil conservation purposes "  
10 3. By renumbering as necessary.

H-5432 FILED  
MARCH 15, 1982

BY BRANSTAD of Winnebago  
COCHRAN of Webster

*Ruled not germane 3/16 (p. 842)*

HOUSE FILE 2363

H-5414

- 1 Amend amendment H-5376 to House File 2363 as  
2 follows:  
3 1. Page 1, line 20, by inserting after the word  
4 "program." the words "In addition under the program,  
5 the authority may enter into a loan agreement with  
6 the owner or operator to finance in whole or in part  
7 the acquisition of corn storage facilities. The  
8 repayment obligation of the owner or operator may  
9 be unsecured, or may be secured by a mortgage or  
10 security agreement or by other security as the  
11 authority deems advisable, and may be evidenced by  
12 one or more notes of the owner or operator. The loan  
13 agreement may contain terms and conditions as the  
14 authority deems advisable."

H-5414 FILED MARCH 15, 1982  
ADOPTED (p. 824)

BY NORLAND of Worth

*Sen. Agriculture 2/3 Do Pass #1 (p. 986)*

HOUSE FILE 2363

Agriculture  
Waldstein, Chair  
Van Gilst  
Hulse

HOUSE FILE 2363

BY COMMITTEE ON AGRICULTURE

(As Amended and Passed by the House

RePassed House, Date 4-14-82 (p. 1476) Passed Senate, Date April 13, 1982 (p. 1161)

Vote: Ayes 97 Nays 1 Vote: Ayes 47 Nays 1

Approved May 13, 1982

*Repassed Senate as further amended by House  
4-19-82 (p. 1264)*

46-1

## A BILL FOR

1 An Act relating to the establishment of a soil conservation  
2 loan program by the Iowa family farm development  
3 authority, allowing the authority to issue its bonds  
4 and notes for the program, and making coordinating  
5 amendments.

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

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House Amendments \_\_\_\_\_

Language Deleted \*

1 Section 1. Chapter 175, Code 1981, is amended by adding  
2 the following new section:

3 NEW SECTION. SOIL CONSERVATION LOAN PROGRAM.

4 1. The authority shall establish a soil conservation loan  
5 program to facilitate the implementation of permanent soil  
6 and water conservation practices and the acquisition of  
7 conservation farm equipment for agricultural land within the  
\*8 state by making financing for this program available to credit  
9 worthy owners or operators of agricultural land within the  
10 state. The authority may provide this financing under the  
11 program by direct loans, loans to lenders, and the purchase  
12 of loans in the manner provided in sections 175.13 through  
13 175.15, except that the financing pursuant to these sections  
14 shall not be limited to beginning farmers. In addition under  
15 the program, the authority may enter into a loan agreement  
16 with the owner or operator to finance in whole or in part  
17 the implementation of permanent soil and water conservation  
18 practices and the acquisition of conservation farm equipment  
19 for agricultural land in the state. The repayment obligation  
20 of the owner or operator may be unsecured, or may be secured  
21 by a mortgage or security agreement or by other security as  
22 the authority deems advisable, and may be evidenced by one  
23 or more notes of the owner or operator. The loan agreement  
24 may contain terms and conditions as the authority deems  
25 advisable.

26 2. In addition to the other conditions and criteria estab-  
27 lished for the soil conservation loan program, the following  
28 apply:

29 a. Loans made pursuant to the soil conservation loan pro-  
30 gram shall only be made to the owner or operator of a farm  
31 located within the state for which a conservation plan has  
32 been developed by the soil conservation district and the  
33 project for which the loan is to be made has been approved  
34 by the district. However, loans under the soil conservation  
35 loan program for implementation of a permanent soil and water

1 conservation practice shall not be remitted to the applicant  
2 until the applicant provides evidence that payment of the  
3 permanent soil and water conservation practice is arranged  
4 for and the soil conservation district certifies that the  
5 practice is completed and approved.

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6 b. The program and financing provided pursuant to the  
7 program shall not be limited to beginning farmers but shall  
8 be available to all credit worthy owners or operators of  
9 agricultural land within the state, except that financing  
10 for the acquisition of conservation farm equipment is limited  
11 to owners or operators of agricultural land who have a low  
12 or moderate net worth.

13 c. The department of soil conservation or any other state  
14 agency and the commissioners and staffs of the soil  
15 conservation districts are authorized to provide technical  
16 and financial assistance to the authority or in connection  
17 with the soil conservation loan program to assure the success  
18 of this program.

19 d. The amount of financing that may be provided under  
20 the soil conservation loan program shall not exceed the cost  
21 of implementing the permanent soil and water conservation  
22 practice or of acquiring the conservation farm equipment which  
23 the owner or operator is seeking to implement or acquire less  
24 any amounts the owner or operator will receive in public cost-  
25 sharing funds under chapter 467A or other provisions of state  
26 or federal law for such implementation or acquisition.  
27 However, the maximum amount of loans that an owner or operator  
28 may receive in one year pursuant to this program shall not  
29 exceed twenty-five thousand dollars.

30 e. If a cooperator of a soil conservation district  
31 qualifies for cost sharing under a state soil conservation  
32 cost share program, the cooperator is eligible for a loan  
33 request. In granting these requests the authority shall give  
34 preference to those with the lower net worths.

35 3. The authority may issue its bonds and notes for the

1 purposes set forth in subsection 1 and may enter into a lending  
2 agreement or purchase agreement with one or more bondholders  
3 or noteholders containing the terms and conditions of the  
4 repayment of and the security for the bonds or notes. Bonds  
5 and notes must be authorized by a resolution of the authority.  
6 However, the authority shall not have a total principal amount  
7 of bonds and notes outstanding under this section at any time  
8 in excess of twenty-five percent of the limitation on the  
9 amount of bonds and notes at any time specified in section  
10 175.17, subsection 1. The authority and the bondholders or  
11 noteholders may enter into an agreement to provide for any  
12 of the following:

13 a. That the proceeds of the bonds and notes and invest-  
14 ments thereon may be received, held, and disbursed by the  
15 bondholders or noteholders, or by a trustee or agent desig-  
16 nated by the authority.

17 b. That the bondholders or noteholders or a trustee or  
18 agent designated by the authority, may collect, invest, and  
19 apply the amounts payable under the loan agreement or any  
20 other security instrument securing the debt obligation of  
21 the owner or operator of the agricultural land.

22 c. That the bondholders or noteholders may enforce the  
23 remedies provided in the loan agreement or security instrument  
24 on their own behalf without the appointment or designation  
25 of a trustee and if there is a default in the principal of  
26 or interest on the bonds or notes or in the performance of  
27 any agreement contained therein, the payment or performance  
28 may be enforced in accordance with the provisions contained  
29 therein.

30 d. That if there is a default in the payment of the prin-  
31 cipal or interest on a mortgage or security instrument or  
32 a violation of an agreement contained in the mortgage or  
33 security instrument, the mortgage or security instrument may  
34 be foreclosed or enforced and any collateral sold under  
35 proceedings or actions permitted by law and a trustee under

1 the mortgage or security agreement or the holder of any bonds  
2 or notes secured thereby may become a purchaser if it is the  
3 highest bidder.

4 e. Other terms and conditions.

5 4. The authority may provide in the resolution authorizing  
6 the issuance of the bonds or notes that the principal and  
7 interest are limited obligations payable solely out of the  
8 revenues derived from the debt obligation, collateral, or  
9 other security furnished by or on behalf of the owner or  
10 operator of the agricultural land, and that the principal  
11 and interest do not constitute an indebtedness of the authority  
12 or a charge against its general credit or general fund.

13 5. The powers granted the authority under this section  
14 are in addition to other powers contained in this chapter.  
15 All other provisions of this chapter, except section 175.12,  
16 section 175.17, subsection 9 and section 175.19, subsection  
17 4, apply to bonds or notes issued pursuant to and powers  
18 granted to the authority under this section except to the  
19 extent that they are inconsistent with this section.

20 Sec. 2. Section 175.2, Code 1981, is amended by adding  
21 the following new subsections:

22 NEW SUBSECTION. "Permanent soil and water conservation  
23 practices" and "temporary soil and water conservation  
24 practices" have the same meaning as defined in section 467A.42.

5468 25 NEW SUBSECTION. "Conservation farm equipment" means the  
26 specialized planters used for row crops and equipment,  
27 excluding aerial equipment, used for the spraying of  
28 agricultural crops.

29 Sec. 3. Section 175.3, subsection 1, Code 1981, is amended  
30 to read as follows:

31 1. The Iowa family farm development authority is  
32 established, and constituted a public instrumentality and  
33 agency of the state exercising public and essential  
34 governmental functions. The authority is established to  
35 undertake programs which assist beginning farmers in purchasing

1 agricultural land and agricultural improvements and depreciable  
2 agricultural property for the purpose of farming and programs  
3 which provide financing to farmers for permanent soil and  
4 water conservation practices on agricultural land within the  
5 state or for the acquisition of conservation farm equipment.

6 The powers of the authority shall be vested in and exercised  
7 by a board of eleven members with nine members appointed by  
8 the governor with the approval of two-thirds of the members  
9 of the senate. The treasurer of the state and the state  
10 secretary of agriculture are ex officio nonvoting members.  
11 No more than five members shall belong to the same political  
12 party. As far as possible the governor shall include within  
13 the membership persons who represent financial institutions  
14 experienced in agricultural lending, the real estate sales  
15 industry, farmers, beginning farmers, average taxpayers, local  
16 government, and any other person specially interested in  
17 family farm development.

18 Sec. 4. Section 175.4, Code 1981, is amended by adding  
19 the following new subsections:

20 NEW SUBSECTION. The erosion of topsoil on agricultural  
21 land by wind and water is a serious problem within the state  
22 and one which threatens to destroy the natural resource most  
23 responsible for Iowa's prosperity.

24 NEW SUBSECTION. It is necessary to the preservation of  
25 the economy and well-being of the state to encourage soil  
26 conservation practices by providing loans for permanent soil  
27 and water conservation practices on agricultural land within  
28 the state and for the acquisition of conservation farm  
29 equipment.

30 Sec. 5. Section 175.11, Code 1981, is amended to read  
31 as follows:

32 175.11 COMBINATION PROGRAMS. Programs authorized in this  
33 chapter may be combined with any other programs authorized  
34 in this chapter, under chapter 220 or under a federal program  
35 in order to facilitate as far as practicable the acquisition

1 of agricultural land and property by beginning farmers or  
\* 2 to facilitate the implementation of permanent soil and water  
3 conservation practices and the acquisition of conservation  
4 farm equipment.

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HOUSE FILE 2363

S-5525

- 1 Amend the Amendment S-5518 to House File 2363 as
- 2 amended, passed and reprinted by the House as follows:
- 3 1. Page 1, line 5, by inserting after the word
- 4 "state" the words "provided the net worth of the
- 5 applicant is one million dollars or less".

S-5525 FILED

BY BILL HUTCHINS

APRIL 7, 1982

*W/D 4/13 (p. 1160)*

## HOUSE FILE 2363

S-5468

- 1 Amend House File 2363 as amended, passed and  
 2 reprinted by the House as follows:  
 3 1. Page 4, by striking lines 26 through 28, and  
 4 inserting in lieu thereof the following: "specialized  
 5 reduced tillage or no-till planters used for row  
 6 crops."

S-5468 FILED

BY ARNE WALDSTEIN

APRIL 6, 1982

*Adopted 4/13 (p. 1160)*

## HOUSE FILE 2363

S-5469

- 1 Amend House File 2363 as amended, passed and  
 2 reprinted by the House as follows:  
 3 1. Page 2, lines 11 and 12, by striking the words  
 4 "low or moderate net worth" and inserting in lieu  
 5 thereof the words "net worth of less than five hundred  
 6 thousand dollars".

S-5469 FILED

BY ARNE WALDSTEIN

APRIL 6, 1982

*Placed out of order 4/13 (p. 1160)*

## HOUSE FILE 2363

S-5518

- 1 Amend House File 2363 as amended, passed and  
 2 reprinted by the House, as follows:  
 3 1. Page 2, by striking lines 9 through 12 and  
 4 inserting in lieu thereof the words "agricultural  
 5 land within the state, however in providing financing  
 6 for the acquisition of conservation farm equipment  
 7 preference shall be given those owners or operators  
 8 of agricultural land who have the lower net worths."

S-5518 FILED

BY RAY TAYLOR

APRIL 7, 1982

ARNE WALDSTEIN

*Adopted 4/13 (p. 1160)*

## HOUSE FILE 2363

S-5524

- 1 Amend House File 2363 as amended, passed and  
 2 reprinted by the House as follows:  
 3 1. Page 1, line 10, by inserting after the word  
 4 "state" the words "provided the net worth of the  
 5 applicant is one million dollars or less".  
 6 2. Page 2, line 9, by inserting after the word  
 7 "state" the words "provided the net worth of the  
 8 applicant is one million dollars or less".

S-5524 FILED

BY BILL HUTCHINS

APRIL 7, 1982

*A - Lost 4/13 (p. 1160)**B - Placed out of order*

SENATE AMENDMENT TO HOUSE FILE 2363

H-5833

1 Amend House File 2363 as amended, passed and  
2 reprinted by the House as follows:  
3 1. Page 2, by striking lines 9 through 12 and  
4 inserting in lieu thereof the words "agricultural  
5 land within the state, however in providing financing  
6 for the acquisition of conservation farm equipment  
7 preference shall be given those owners or operators  
8 of agricultural land who have the lower net worths."  
9 2. Page 4, by striking lines 26 through 28, and  
10 inserting in lieu thereof the following: "specialized  
11 reduced tillage or no-till planters used for row  
12 crops."

H-5833 FILED APRIL 13, 1982

RECEIVED FROM THE SENATE

*Have amended & concurred 4/14 (p 1476)*

HOUSE FILE 2363

H-5844

1 Amend the Senate amendment, H-5833, to House File  
2 2363 as amended, passed and reprinted by the House,  
3 as follows:  
4 1. Page 1, by striking line 11 and inserting in  
5 lieu thereof the words "planters used for reduced  
6 tillage or no-till planting of row".

H-5844 FILED APRIL 14, 1982

ADOPTED *(p 1476)*

BY ANDERSON of Audubon

HOUSE AMENDMENT TO SENATE AMENDMENT TO HOUSE FILE 2363

S-5631

1 Amend the Senate amendment, H-5833, to House File  
2 2363 as amended, passed and reprinted by the House,  
3 as follows:  
4 1. Page 1, by striking line 11 and inserting in  
5 lieu thereof the words "planters used for reduced  
6 tillage or no-till planting of row".

S-5631 FILED  
APRIL 16, 1982

RECEIVED FROM THE HOUSE

*Senate concurred 4/19 (p 1264)*

HOUSE FILE 2363

AN ACT

RELATING TO THE ESTABLISHMENT OF A SOIL CONSERVATION LOAN PROGRAM BY THE IOWA FAMILY FARM DEVELOPMENT AUTHORITY, ALLOWING THE AUTHORITY TO ISSUE ITS BONDS AND NOTES FOR THE PROGRAM, AND MAKING COORDINATING AMENDMENTS.

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

Section 1. Chapter 175, Code 1981, is amended by adding the following new section:

NEW SECTION. SOIL CONSERVATION LOAN PROGRAM.

1. The authority shall establish a soil conservation loan program to facilitate the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment for agricultural land within the state by making financing for this program available to credit worthy owners or operators of agricultural land within the state. The authority may provide this financing under the program by direct loans, loans to lenders, and the purchase of loans in the manner provided in sections 175.13 through 175.15, except that the financing pursuant to these sections shall not be limited to beginning farmers. In addition under the program, the authority may enter into a loan agreement with the owner or operator to finance in whole or in part the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment for agricultural land in the state. The repayment obligation of the owner or operator may be unsecured, or may be secured by a mortgage or security agreement or by other security as the authority deems advisable, and may be evidenced by one or more notes of the owner or operator. The loan agreement may contain terms and conditions as the authority deems advisable.

2. In addition to the other conditions and criteria established for the soil conservation loan program, the following apply:

a. Loans made pursuant to the soil conservation loan program shall only be made to the owner or operator of a farm located within the state for which a conservation plan has been developed by the soil conservation district and the project for which the loan is to be made has been approved by the district. However, loans under the soil conservation loan program for implementation of a permanent soil and water conservation practice shall not be remitted to the applicant until the applicant provides evidence that payment of the permanent soil and water conservation practice is arranged for and the soil conservation district certifies that the practice is completed and approved.

b. The program and financing provided pursuant to the program shall not be limited to beginning farmers but shall be available to all credit worthy owners or operators of agricultural land within the state, however in providing financing for the acquisition of conservation farm equipment preference shall be given those owners or operators of agricultural land who have the lower net worths.

c. The department of soil conservation or any other state agency and the commissioners and staffs of the soil conservation districts are authorized to provide technical and financial assistance to the authority or in connection with the soil conservation loan program to assure the success of this program.

d. The amount of financing that may be provided under the soil conservation loan program shall not exceed the cost of implementing the permanent soil and water conservation practice or of acquiring the conservation farm equipment which the owner or operator is seeking to implement or acquire less any amounts the owner or operator will receive in public cost-sharing funds under chapter 467A or other provisions of state

or federal law for such implementation or acquisition. However, the maximum amount of loans that an owner or operator may receive in one year pursuant to this program shall not exceed twenty-five thousand dollars.

e. If a cooperater of a soil conservation district qualifies for cost sharing under a state soil conservation cost share program, the cooperater is eligible for a loan request. In granting these requests the authority shall give preference to those with the lower net worths.

3. The authority may issue its bonds and notes for the purposes set forth in subsection 1 and may enter into a lending agreement or purchase agreement with one or more bondholders or noteholders containing the terms and conditions of the repayment of and the security for the bonds or notes. Bonds and notes must be authorized by a resolution of the authority. However, the authority shall not have a total principal amount of bonds and notes outstanding under this section at any time in excess of twenty-five percent of the limitation on the amount of bonds and notes at any time specified in section 175.17, subsection 1. The authority and the bondholders or noteholders may enter into an agreement to provide for any of the following:

a. That the proceeds of the bonds and notes and investments thereon may be received, held, and disbursed by the bondholders or noteholders, or by a trustee or agent designated by the authority.

b. That the bondholders or noteholders or a trustee or agent designated by the authority, may collect, invest, and apply the amounts payable under the loan agreement or any other security instrument securing the debt obligation of the owner or operator of the agricultural land.

c. That the bondholders or noteholders may enforce the remedies provided in the loan agreement or security instrument on their own behalf without the appointment or designation of a trustee and if there is a default in the principal of

or interest on the bonds or notes or in the performance of any agreement contained therein, the payment or performance may be enforced in accordance with the provisions contained therein.

d. That if there is a default in the payment of the principal or interest on a mortgage or security instrument or a violation of an agreement contained in the mortgage or security instrument, the mortgage or security instrument may be foreclosed or enforced and any collateral sold under proceedings or actions permitted by law and a trustee under the mortgage or security agreement or the holder of any bonds or notes secured thereby may become a purchaser if it is the highest bidder.

e. Other terms and conditions.

4. The authority may provide in the resolution authorizing the issuance of the bonds or notes that the principal and interest are limited obligations payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the owner or operator of the agricultural land, and that the principal and interest do not constitute an indebtedness of the authority or a charge against its general credit or general fund.

5. The powers granted the authority under this section are in addition to other powers contained in this chapter. All other provisions of this chapter, except section 175.12, section 175.17, subsection 9 and section 175.19, subsection 4, apply to bonds or notes issued pursuant to and powers granted to the authority under this section except to the extent that they are inconsistent with this section.

Sec. 2. Section 175.2, Code 1981, is amended by adding the following new subsections:

NEW SUBSECTION. "Permanent soil and water conservation practices" and "temporary soil and water conservation practices" have the same meaning as defined in section 467A.42.

NEW SUBSECTION. "Conservation farm equipment" means the

specialized planters used for reduced tillage or no-till planting of row crops.

Sec. 3. Section 175.3, subsection 1, Code 1981, is amended to read as follows:

1. The Iowa family farm development authority is established, and constituted a public instrumentality and agency of the state exercising public and essential governmental functions. The authority is established to undertake programs which assist beginning farmers in purchasing agricultural land and agricultural improvements and depreciable agricultural property for the purpose of farming and programs which provide financing to farmers for permanent soil and water conservation practices on agricultural land within the state or for the acquisition of conservation farm equipment. The powers of the authority shall be vested in and exercised by a board of eleven members with nine members appointed by the governor with the approval of two-thirds of the members of the senate. The treasurer of the state and the state secretary of agriculture are ex officio nonvoting members. No more than five members shall belong to the same political party. As far as possible the governor shall include within the membership persons who represent financial institutions experienced in agricultural lending, the real estate sales industry, farmers, beginning farmers, average taxpayers, local government, and any other person specially interested in family farm development.

Sec. 4. Section 175.4, Code 1981, is amended by adding the following new subsections:

NEW SUBSECTION. The erosion of topsoil on agricultural land by wind and water is a serious problem within the state and one which threatens to destroy the natural resource most responsible for Iowa's prosperity.

NEW SUBSECTION. It is necessary to the preservation of the economy and well-being of the state to encourage soil conservation practices by providing loans for permanent soil

and water conservation practices on agricultural land within the state and for the acquisition of conservation farm equipment.

Sec. 5. Section 175.11, Code 1981, is amended to read as follows:

175.11 COMBINATION PROGRAMS. Programs authorized in this chapter may be combined with any other programs authorized in this chapter, under chapter 220 or under a federal program in order to facilitate as far as practicable the acquisition of agricultural land and property by beginning farmers or to facilitate the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment.

---

DELWYN STROMER  
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 2363, Sixty-ninth General Assembly.

Approved May 13, 1982

---

ROBERT D. RAY  
Governor

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ELIZABETH A. ISAACSON  
Chief Clerk of the House