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Approved 4/1/85

MAR 27 1985

HOUSE FILE 741

Place On Calendar

BY COMMITTEE ON AGRICULTURE

(Formerly House Study Bill 383)

Passed House, Date 11-1-85 (p. 1211) Passed Senate, Date \_\_\_\_\_

Vote: Ayes 90 Nays 2 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

*Motion to reconsider (p. 1246)*  
*Reconsidered - Reported 4-3-85 (p. 1365)*  
*94.0*

# A BILL FOR

- 1 An Act relating to custom livestock feeders.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 741

H-3536

- 1 Amend House File 741 as follows:
- 2 1. Page 1, line 21, by striking the word
- 3 "facility" and inserting the following: "feedlot".

H-3536 FILED MARCH 28, 1985 BY HUGHES of Union

*Adopted 4/1/85 (p. 1210)*

HOUSE FILE 741

H-3596

- 1 Amend House File 741 as follows:
- 2 1. Page 1, line 21, by striking the word "others"
- 3 and inserting the following: "another person".
- 4 2. Page 1, line 22, by inserting after the figure
- 5 "6," the following: "or a confinement building".
- 6 3. Page 1, lines 28 and 29, by striking the words
- 7 "on a credit basis" and inserting the following:
- 8 "using a credit-sale contract as defined in section
- 9 542.1, subsection 5".

BY HUGHES of Union  
STROMER of Hancock

H-3596 FILED APRIL 2, 1985

*Adopted 4/3 (p. 1365)*

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1 Section 1. Section 542.1, subsection 3, Code 1985, is  
2 amended to read as follows:

3 3. "Grain dealer" means a person who buys during any  
4 calendar month five hundred bushels of grain or more from the  
5 producers of the grain for purposes of resale, milling, or  
6 processing. However, "grain dealer" ~~shall~~ does not be  
7 ~~construed to mean include~~ include a producer of grain who is buying  
8 grain for the producer's own use as seed or feed; a person  
9 solely engaged in buying grain future contracts on the board  
10 of trade; a person who purchases grain only for sale in a  
11 registered feed; a person engaged in the business of selling  
12 agricultural seeds regulated by chapter 199; a person buying  
13 grain only as a farm manager; or an executor, administrator,  
14 trustee, guardian, or conservator of an estate; or a  
15 bargaining agent as defined in section 542A.1; or a custom  
16 livestock feeder.

17 Sec. 2. Section 542.1, Code 1985, is amended by adding the  
18 following new subsection:

19 NEW SUBSECTION. 5. "Custom livestock feeder" means a  
20 person who buys grain for the sole purpose of feeding it to  
21 livestock owned by others in a facility as defined in section  
22 172D.1, subsection 6, owned or operated by the custom  
23 livestock feeder and located in this state.

24 Sec. 3. NEW SECTION. 542.21 CUSTOM LIVESTOCK FEEDER.

25 A custom livestock feeder shall only purchase grain from a  
26 grain producer by making payment by cash, check, or other  
27 instrument that is payable on demand. A custom livestock  
28 feeder shall not purchase grain from a grain producer on a  
29 credit basis.

30 Sec. 4. This Act, being deemed of immediate importance,  
31 takes effect from and after its publication in The Red Oak  
32 Express, a newspaper published in Red Oak, Iowa, and in The  
33 Daily Freeman-Journal, a newspaper published in Webster City,  
34 Iowa.

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EXPLANATION

1 This bill provides that a custom livestock feeder is not a  
2 grain dealer within the definition of chapter 542. In addi-  
3 tion a custom livestock feeder shall not purchase grain from a  
4 grain producer on credit but instead must pay by cash, check,  
5 or other instrument that is payable on demand. The bill is  
6 effective upon publication.

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AGRICULTURE: A. Miller, Chair; Hutchins and Vande Hoef

HOUSE FILE 741

BY COMMITTEE ON AGRICULTURE

(As Amended and Passed by the House April 3, 1985)

Passed House, Date 4-3-85 (p. 1211) Passed Senate, Date 4-17-85 (p. 1442)  
Vote: Ayes 90 Nays 2 Vote: Ayes 43 Nays 0  
Approved June 6, 1985

## A BILL FOR

1 An Act relating to custom livestock feeders.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

1 Section 1. Section 542.1, subsection 3, Code 1985, is  
2 amended to read as follows:

3 3. "Grain dealer" means a person who buys during any  
4 calendar month five hundred bushels of grain or more from the  
5 producers of the grain for purposes of resale, milling, or  
6 processing. However, "grain dealer" ~~shall~~ does not be  
7 ~~construed to mean~~ include a producer of grain who is buying  
8 grain for the producer's own use as seed or feed; a person  
9 solely engaged in buying grain future contracts on the board  
10 of trade; a person who purchases grain only for sale in a  
11 registered feed; a person engaged in the business of selling  
12 agricultural seeds regulated by chapter 199; a person buying  
13 grain only as a farm manager; ~~or~~ an executor, administrator,  
14 trustee, guardian, or conservator of an estate; ~~or~~ a  
15 bargaining agent as defined in section 542A.1; or a custom  
16 livestock feeder.

17 Sec. 2. Section 542.1, Code 1985, is amended by adding the  
18 following new subsection:

19 NEW SUBSECTION. 6. "Custom livestock feeder" means a  
20 person who buys grain for the sole purpose of feeding it to  
21 livestock owned by another person in a feedlot as defined in  
22 section 172D.1, subsection 6, or a confinement building owned  
23 or operated by the custom livestock feeder and located in this  
24 state.

25 Sec. 3. NEW SECTION. 542.21 CUSTOM LIVESTOCK FEEDER.

26 A custom livestock feeder shall only purchase grain from a  
27 grain producer by making payment by cash, check, or other  
28 instrument that is payable on demand. A custom livestock  
29 feeder shall not purchase grain from a grain producer using a  
30 credit-sale contract as defined in section 542.1, subsection  
31 5.

32 Sec. 4. This Act, being deemed of immediate importance,  
33 takes effect from and after its publication in The Red Oak  
34 Express, a newspaper published in Red Oak, Iowa, and in The  
35 Daily Freeman-Journal, a newspaper published in Webster City,

1 Iowa.

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Agriculture: Hughes, Chair; Muhlbauer and Van Maanen.

Agriculture

*new  
BF 74'*

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON AGRICULTURE BILL)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

### A BILL FOR

1 An Act relating to custom livestock feeders.

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

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5 producers of the grain for purposes of resale, milling, or  
6 processing. However, "grain dealer" shall does not be  
7 ~~construed-to-mean~~ include a producer of grain who is buying  
8 grain for the producer's own use as seed or feed; a person  
9 solely engaged in buying grain future contracts on the board  
10 of trade; a person who purchases grain only for sale in a  
11 registered feed; a person engaged in the business of selling  
12 agricultural seeds regulated by chapter 199; a person buying  
13 grain only as a farm manager; or an executor, administrator,  
14 trustee, guardian, or conservator of an estate; or a  
15 bargaining agent as defined in section 542A.1; or a custom  
16 livestock feeder.

17 Sec. 2. Section 542.1, Code 1985, is amended by adding the  
18 following new subsection:

19 NEW SUBSECTION. 6. "Custom livestock feeder" means a  
20 person who feeds, shelters, or provides other services for  
21 livestock, as defined in section 172D.1, subsection 7, which  
22 is owned by another person.

23 Sec. 3. NEW SECTION. 542.21 CUSTOM LIVESTOCK FEEDER.

24 A custom livestock feeder shall only purchase grain from a  
25 grain producer by making payment by cash, check, or other  
26 instrument that is payable on demand. A custom livestock  
27 feeder shall not purchase grain from a grain producer on a  
28 credit basis.

29 Sec. 4. This Act, being deemed of immediate importance,  
30 takes effect from and after its publication in The Red Oak  
31 Express, a newspaper published in Red Oak, Iowa, and in The  
32 Daily Freeman-Journal, a newspaper published in Webster City,  
33 Iowa.

34 EXPLANATION

35 This bill provides that a custom livestock feeder is not a

1 grain dealer within the definition of chapter 542. In addi-  
2 tion a custom livestock feeder shall not purchase grain from a  
3 grain producer on credit but instead must pay by cash, check,  
4 or other instrument that is payable on demand. The bill is  
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HOUSE FILE 741

AN ACT

RELATING TO CUSTOM LIVESTOCK FEEDERS.

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

Section 1. Section 542.1, subsection 3, Code 1985, is amended to read as follows:

3. "Grain dealer" means a person who buys during any calendar month five hundred bushels of grain or more from the producers of the grain for purposes of resale, milling, or processing. However, "grain dealer" shall not be construed to mean include a producer of grain who is buying grain for the producer's own use as seed or feed; a person solely engaged in buying grain future contracts on the board of trade; a person who purchases grain only for sale in a registered feed; a person engaged in the business of selling agricultural seeds regulated by chapter 199; a person buying grain only as a farm manager; or an executor, administrator, trustee, guardian, or conservator of an estate; or a bargaining agent as defined in section 542A.1; or a custom livestock feeder.

Sec. 2. Section 542.1, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 6. "Custom livestock feeder" means a person who buys grain for the sole purpose of feeding it to livestock owned by another person in a feedlot as defined in section 172D.1, subsection 6, or a confinement building owned or operated by the custom livestock feeder and located in this state.

Sec. 3. NEW SECTION. 542.21 CUSTOM LIVESTOCK FEEDER.

A custom livestock feeder shall only purchase grain from a grain producer by making payment by cash, check, or other instrument that is payable on demand. A custom livestock

feeder shall not purchase grain from a grain producer using a credit-sale contract as defined in section 542.1, subsection 5.

Sec. 4. This Act, being deemed of immediate importance, takes effect from and after its publication in The Red Oak Express, a newspaper published in Red Oak, Iowa, and in The Daily Freeman-Journal, a newspaper published in Webster City, Iowa.

DONALD D. AVENSON  
Speaker of the House

ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 741, Seventy-first General Assembly.

JOSEPH O'BERN  
Chief Clerk of the House

Approved: *June 6*, 1985

TERRY E. BRANSTAD  
Governor

H.F. 741