

Senate File 2212

APPROPRIATIONS: Husak, Chair; Tieden and Gronstal

SENATE FILE 2212
BY COMMITTEE ON AGRICULTURE
(Formerly SSB 2160)
Appropriation (p. 475)

MAR 10 1986

Passed Senate, Date 3-12-86 (p. 680) Passed House, Date 4-2-86 (p. 1145)
Vote: Ayes 49 Nays 1 Vote: Ayes 89 Nays 0
Approved April 15, 1986

A BILL FOR

1 An Act relating to the use of trust assets received under the
2 federal Bankhead-Jones Farm Tenant Act for guaranteeing
3 operating loans for farmers.

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

SENATE FILE 2212

S-5296

1 Amend Senate File 2212 as follows:
2 1. Page 2, line 6, by inserting after the word
3 "farming." the following: "For the purposes of this
4 section, "beginning farmer" includes an individual or
5 partnership with a low or moderate net worth that
6 became engaged in farming on or after January 1,
7 1982."

S-5296 Filed March 10, 1986 BY COMM. ON APPROP., WELSH, CHAIR
Adopted 3/12 (p. 679)

S.F. 2212

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1 Section 1. Section 175.30, unnumbered paragraph 2, Code
2 1985, is amended to read as follows:

3 Beginning with August 11, 1983, the authority shall
4 establish an insurance or guarantee loan program with those
5 funds received pursuant to section 175.28 to the extent those
6 funds were not committed under a program authorized by this
7 chapter on August 11, 1983. This program shall provide for
8 the insuring or guaranteeing of seventy-five percent of the
9 amount of an agricultural loan, not in excess of twenty-five
10 thousand dollars, made to a beginning or displaced farmer to
11 provide new operating moneys for farming purposes in this
12 state. The authority shall insure or guarantee only one such
13 loan ~~of that~~ for each beginning or displaced farmer. The
14 authority shall insure or guarantee a loan for only one year
15 but with the option to extend the insurance or guarantee once
16 for an additional year. The authority shall not insure or
17 guarantee a loan where the ratio of the beginning or displaced
18 farmer's liabilities, excluding the amount of the loan, to
19 assets is greater than three to one. Provision shall be made
20 in the insuring or guaranteeing of a loan that only those
21 funds set aside for this program as provided in this paragraph
22 shall be used for the payment of all or a portion of the loan
23 insured or guaranteed. Provision shall also be made ~~which~~
24 ~~provides~~ that the authority shall pay under its insurance or
25 guarantee seventy-five percent of the actual amount of the
26 default. A mortgage lender which seeks to have a loan of the
27 lender insured or guaranteed under this program shall apply to
28 the authority for the insurance or guarantee pursuant to rules
29 established by the authority for this purpose. This program
30 shall not obligate the state, authority, or other agency
31 except to the extent provided in this paragraph. The
32 authority shall define by rule what constitutes a loan made to
33 provide new operating moneys which definition shall not
34 include a loan made for acquisition of agricultural land or
35 agricultural improvements, or the refinancing of an existing

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31 except to the extent provided in this paragraph. The
32 authority shall define by rule what constitutes a loan made to
33 provide ~~new~~ operating moneys which definition shall not
34 include a loan made for acquisition of agricultural land or
35 agricultural improvements, or the refinancing of an existing

1 loan even if made for operating purposes. As used in this
2 section, "displaced farmer" means a person who discontinued
3 farming on or after January 1, 1982 due to foreclosure or
4 voluntary liquidation for financial reasons, and who was
5 actively engaged in farming for at least one year prior to
6 discontinuing farming. For the purposes of this section,
7 "beginning farmer" includes an individual or partnership with
8 a low or moderate net worth that became engaged in farming on
9 or after January 1, 1982.

10 Sec. 2. This Act, being deemed of immediate importance,
11 takes effect from and after its publication in the Audubon
12 News-Advocate, a newspaper published in Audubon, Iowa, and in
13 the Lake Mills Graphic, a newspaper published in Lake Mills,
14 Iowa.

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SSB 2160

SSB 2160

AGRICULTURE: A. Miller, Chair: Palmer and Soorholtz

*New
SF. 2212*

SENATE FILE 2212
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the use of trust assets received under the
2 federal Bankhead-Jones Farm Tenant Act for guaranteeing
3 operating loans for farmers.

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

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2 is amended to read as follows:

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4 an insurance or guarantee loan program with those funds received
5 pursuant to section 175.28 to the extent those funds were not
6 committed under a program authorized by this chapter on August
7 11, 1983. This program shall provide for the insuring or
8 guaranteeing of seventy-five percent of the amount of an
9 agricultural loan, not in excess of twenty-five thousand dollars,
10 made to a beginning farmer to provide new operating moneys for
11 farming purposes in this state. The authority shall insure or
12 guarantee only one such loan ~~of-that~~ for each farmer. The
13 authority shall insure or guarantee a loan for only one year but
14 with the option to extend the insurance or guarantee once for an
15 additional year. The authority shall not insure or guarantee a
16 loan where the ratio of the beginning farmer's liabilities,
17 excluding the amount of the loan, to assets is greater than three
18 to one. Provision shall be made in the insuring or guaranteeing
19 of a loan that only those funds set aside for this program as
20 provided in this paragraph shall be used for the payment of all
21 or a portion of the loan insured or guaranteed. Provision shall
22 also be made ~~which-provides~~ that the authority shall pay under
23 its insurance or guarantee seventy-five percent of the actual
24 amount of the default. A mortgage lender which seeks to have a
25 loan of the lender insured or guaranteed under this program shall
26 apply to the authority for the insurance or guarantee pursuant to
27 rules established by the authority for this purpose. This
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31 operating moneys which definition shall not include a loan made
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33 improvements, or the refinancing of an existing loan even if made
34 for operating purposes.

SENATE FILE 2212

AN ACT

RELATING TO THE USE OF TRUST ASSETS RECEIVED UNDER THE FEDERAL
BANKHEAD-JONES FARM TENANT ACT FOR GUARANTEEING OPERATING
LOANS FOR FARMERS.

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

Section 1. Section 175.30, unnumbered paragraph 2, Code
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establish an insurance or guarantee loan program with those
funds received pursuant to section 175.28 to the extent those
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chapter on August 11, 1983. This program shall provide for
the insuring or guaranteeing of seventy-five percent of the
amount of an agricultural loan, not in excess of twenty-five
thousand dollars, made to a beginning or displaced farmer to
provide new operating moneys for farming purposes in this

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out with the option to extend the insurance or guarantee once
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discontinuing farming. For the purposes of this section,
"beginning farmer" includes an individual or partnership with
a low or moderate net worth that became engaged in farming on
or after January 1, 1982.

Sec. 2. This Act, being deemed of immediate importance,
takes effect from and after its publication in the Audubon

News-Advocate, a newspaper published in Audubon, Iowa, and in the Lake Mills Graphic, a newspaper published in Lake Mills, Iowa.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2212, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved April 15, 1986

TERRY E. BRANSTAD
Governor