

FEB 15 1996

Place On Calendar

S. 4/20/96 Small Business  
Econ. Dev. & Tourism  
S. 3/25/96 Amend/No Pass W/  
S. 3/26/96 State Hous. S. 5514  
S. 3/27/96 State Hous.  
**2234** Amend/No Pass

HOUSE FILE  
BY COMMITTEE ON ECONOMIC

DEVELOPMENT  
4/22/96 S. Motion to R/c by Vidler  
4/23/96 S. Motion to R/c - Withdraw  
(SUCCESSOR TO HSB 563)

Passed House, <sup>(P. 475)</sup> Date 2/28/96 Passed Senate, <sup>(P. 1461)</sup> Date 4/22/96  
Vote: Ayes 61 Nays 35 Vote: Ayes 47 Nays 3  
Approved 5/2/96

(P. 1887)

Repassed 4/24/96  
Vote 85-11

A BILL FOR

1 An Act relating to exempting certain nonresident aliens from land  
2 ownership restrictions.

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

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HF 2234

1 Section 1. Section 15.327, Code 1995, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 3A. "Economic development area" means a  
4 site or sites designated by the department for the purpose of  
5 attracting an eligible business to locate facilities within  
6 the state.

7 Sec. 2. NEW SECTION. 15.331B EXEMPTION FROM LAND  
8 OWNERSHIP RESTRICTIONS FOR NONRESIDENT ALIENS.

9 1. The eligible business, to the extent the eligible  
10 business is not actively engaged in farming within the  
11 economic development area, may acquire, own, and lease land in  
12 the economic development area, notwithstanding the provisions  
13 of sections 9H.4, 9H.5, and 567.3. The eligible business may  
14 receive an extension of the time limit for complying with the  
15 requirements of section 567.4. The extension must be approved  
16 by the community prior to approval by the department. The  
17 eligible business shall comply with the remaining provisions  
18 of chapters 9H and 567 to the extent they do not conflict with  
19 this subsection.

20 2. "Actively engaged in farming" means any of the  
21 following:

22 a. Inspecting agricultural production activities within  
23 the economic development area periodically and furnishing at  
24 least half of the value of the tools and paying at least half  
25 the direct cost of production.

26 b. Regularly and frequently making or taking an important  
27 part in making management decisions substantially contributing  
28 to or affecting the success of the farm operations within the  
29 economic development area.

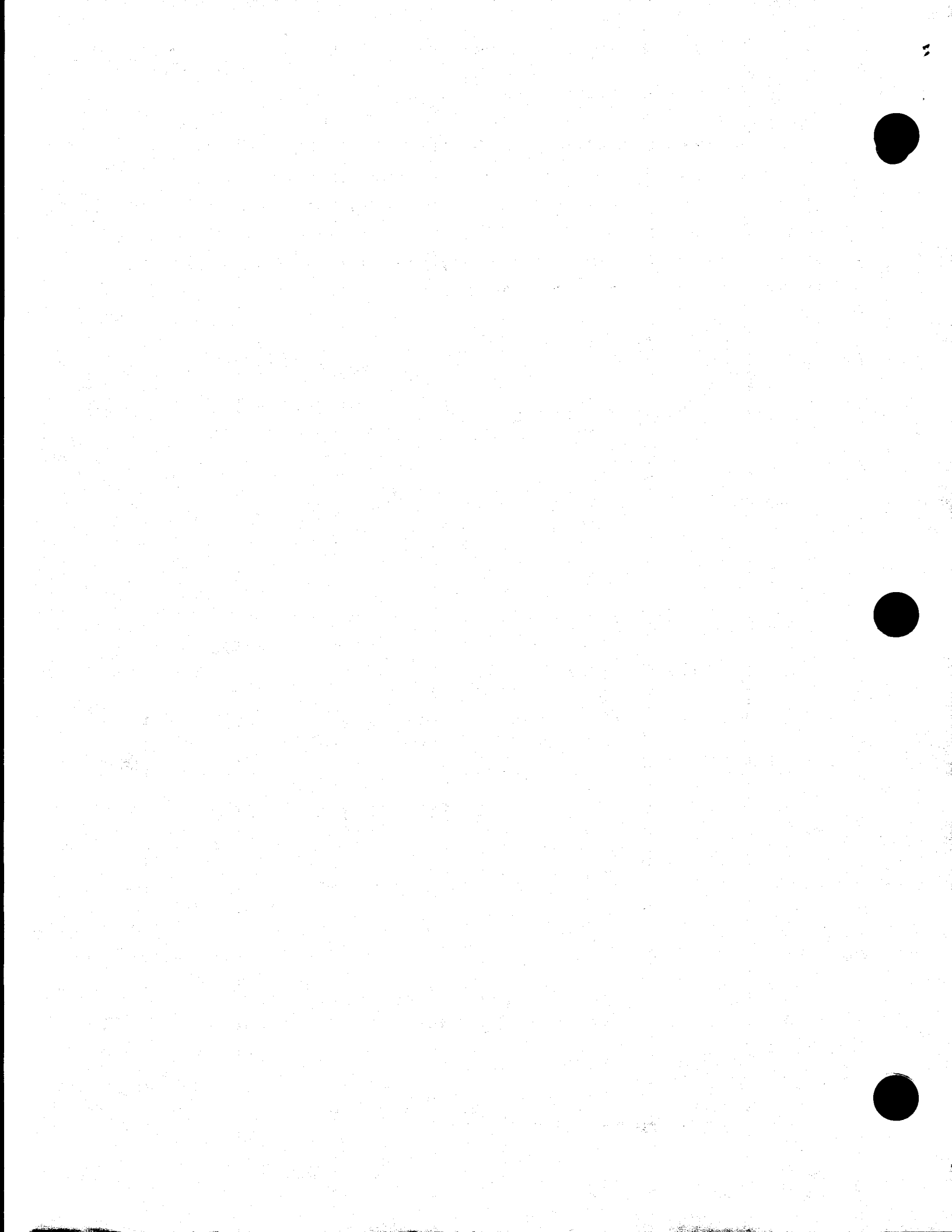
30 c. Performing physical work which significantly  
31 contributes to crop or livestock production.

32 EXPLANATION

33 This bill provides that an eligible business under the new  
34 jobs and income program is exempt from the limitations on  
35 ownership by foreign corporations of agricultural land in Iowa

1 so long as the business owning the land is not actively  
2 engaged in farming. The eligible business must, however,  
3 still convert the land to a nonfarming purpose within five  
4 years under chapter 567 unless the eligible business receives  
5 an extension of time approved by the local community and the  
6 department of economic development.

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HOUSE FILE 2234

H-5105

- 1 Amend House File 2234 as follows:
- 2 1. Page 1, line 14, by striking the word "an" and
- 3 inserting the following: "a one-year".

By WEIGEL of Chickasaw

H-5105 FILED FEBRUARY 21, 1996  
*2-28-96 (P.474)*

HOUSE FILE 2234

H-5103

- 1 Amend House File 2234 as follows:
- 2 1. Page 1, line 10, by striking the word "is" and
- 3 inserting the following: "or any or its subsidiary or
- 4 parent businesses are".
- 5 2. Page 1, line 11, by striking the words
- 6 "economic development area" and inserting the
- 7 following: "state".

By WEIGEL of Chickasaw

H-5103 FILED FEBRUARY 21, 1996  
*2-28-96 (P.474)*

HOUSE FILE 2234

H-5104

- 1 Amend House File 2234 as follows:
- 2 1. Page 1, line 16; by inserting before the word
- 3 "community" the following: "unanimous vote of all
- 4 members of the governing body of the".

By WEIGEL of Chickasaw

H-5104 FILED FEBRUARY 21, 1996  
*Not Hermone as amended 2-28-96*  
*(P.475)*

HOUSE FILE 2234

H-5123

- 1 Amend the amendment, H-5104, to House File 2234 as
- 2 follows:
- 3 1. Page 1, by striking lines 2 through 4 and
- 4 inserting the following:
- 5 "\_\_\_\_. Page 1, line 15 and 16, by striking the
- 6 words "The extension must be approved by the community
- 7 prior to approval by the department." and inserting
- 8 the following: "If the community has the authority to
- 9 approve by an affirmative vote of at least two-thirds
- 10 of the members of the governing body of the community
- 11 an animal feeding operation prior to the operation
- 12 receiving a permit under section 455B.173, subsection
- 13 13, the community must approve by a vote of at least
- 14 two-thirds of the members of the governing body of the
- 15 community the extension prior to approval by the
- 16 department.""
- 17 2. By renumbering as necessary.

By WEIGEL of Chickasaw

H-5123 FILED FEBRUARY 27, 1996  
*adopted 2/28/96 (P.474)*



## HOUSE FILE 2234

S-5514

1 Amend House File 2234, as passed by the House, as  
2 follows:

3 1. Page 1, by striking lines 7 through 31 and  
4 inserting the following:

5 "Sec. \_\_\_\_ . NEW SECTION. 15.331B EXEMPTION FROM  
6 LAND OWNERSHIP RESTRICTIONS FOR NONRESIDENT ALIENS.

7 1. The eligible business, to the extent the  
8 eligible business is not actively engaged in farming  
9 within the economic development area, may acquire,  
10 own, and lease up to one thousand two hundred eighty  
11 acres of land in the economic development area,  
12 notwithstanding the provisions of sections 9H.4, 9H.5,  
13 and 567.3 if the eligible business has been designated  
14 an exempt business under subsection 3. The eligible  
15 business may receive one or more one-year extensions  
16 of the time limit for complying with the requirements  
17 of section 567.4. Each extension must be approved by  
18 the community prior to approval by the department.  
19 The eligible business shall comply with the remaining  
20 provisions of chapters 9H and 567 to the extent they  
21 do not conflict with this subsection.

22 2. "Actively engaged in farming" means any of the  
23 following:

24 a. Inspecting agricultural production activities  
25 within the economic development area periodically and  
26 furnishing at least half of the value of the tools and  
27 paying at least half the direct cost of production.

28 b. Regularly and frequently making or taking an  
29 important part in making management decisions  
30 substantially contributing to or affecting the success  
31 of the farm operations within the economic development  
32 area.

33 c. Performing physical work which significantly  
34 contributes to crop or livestock production.

35 3. An eligible business shall not receive the  
36 exemption under this section unless it has applied to  
37 be designated an exempt business by July 1, 1997.

38 4. The department of economic development shall  
39 monitor the activities of eligible businesses  
40 receiving the exemption under this section and report  
41 to the general assembly by December 15 of each year."

42 2. By renumbering as necessary.

By COMMITTEE ON SMALL BUSINESS,  
ECONOMIC DEVELOPMENT AND TOURISM  
STEVEN D. HANSEN, Chairperson

S-5514 FILED MARCH 25, 1996

*Adopted as amended 4/1/96 (p. 1288)*

*Motion to R/c 4/15/96 (p. 1390)*

*by Bennett*

*Motion prevailed 4/17/96 (p. 1431)*

*Adopted as amended 4/22/96 (p. 1461)*

HOUSE FILE 2234

S-5633

- 1 Amend the amendment, S-5514, to House File 2234, as
- 2 passed by the House, as follows:
- 3 1. Page 1, line 12, by striking the figure "
- 4 9H.5,".

By WAYNE BENNETT

S-5633 FILED APRIL 2, 1996

*Adopted 4/8/96 (p. 1259)*  
*Motion by Rep. Bennett 4/17/96*  
*" prevailed*  
*Out of order 4/22/96 (p. 1460)*

HOUSE FILE 2234

S-5698

- 1 Amend the amendment, S-5514, to House File 2234, as
- 2 passed by the House, as follows:
- 3 1. Page 1, lines 12 and 13, by striking the words
- 4 and figures "sections 9H.4, 9H.5, and" and inserting
- 5 the following: "section".
- 6 2. Page 1, line 20, by striking the words and
- 7 figure "chapters 9H and" and inserting the following:
- 8 "chapter".
- 9 3. Page 1, by inserting after line 41 the
- 10 following:
- 11 "5. The potential future expansion of an eligible
- 12 business shall be considered a potential use for
- 13 nonfarming purposes."

By WAYNE BENNETT

S-5698 FILED APRIL 9, 1996  
ADOPTED

*( p. 1288)*  
*Motion to R/c 4/15/96 (p. 1390)*  
*by Bennett*  
*Motion prevailed 4/17/96*  
*O/c / order 4/22/96 (p. 1460)*

HOUSE FILE 2234

S-5766

1 Amend the amendment, S-5514, to House File 2234, as  
 2 passed by the House, as follows:  
 3 1. Page 1, lines 9 and 10, by striking the words  
 4 "acquire, own, and lease" and inserting the following:  
 5 "acquire and own".  
 6 2. Page 1, line 10, by striking the words "two  
 7 hundred eighty".  
 8 3. Page 1, by striking line 14 and inserting the  
 9 following: "an exempt business under subsection 3.  
 10 An eligible business may lease up to an additional two  
 11 hundred eighty acres of land in the economic  
 12 development area.  
 13 The eligible".  
 14 4. Page 1, line 37, by striking the figure "1997"  
 15 and inserting the following: "1998".

By BERL E. PRIEBE  
 EMIL HUSAK  
 JOHN P. KIBBIE

WAYNE BENNETT  
 MICHAEL E. GRONSTAL

S-5766 FILED APRIL 15, 1996

*adopted 4/22/96 (p.1460)*

HOUSE FILE 2234

S-5786

1 Amend the amendment, S-5514, to House File 2234, as  
 2 passed by the House, as follows:  
 3 1. Page 1, line 6, by striking the words "FOR  
 4 NONRESIDENT ALIENS".  
 5 2. Page 1, lines 12 and 13, by striking the words  
 6 and figures "sections 9H.4, 9H.5, and" and inserting  
 7 the following: "section".  
 8 3. Page 1, line 20, by striking the words and  
 9 figure "chapters 9H and" and inserting the following:  
 10 "chapter".  
 11 4. Page 1, by inserting after line 41 the  
 12 following:  
 13 "5. An eligible business that complies with this  
 14 section shall be considered to be acquiring, owning,  
 15 or leasing agricultural land for immediate or  
 16 potential use in nonfarming purposes under section  
 17 9H.4, subsection 4.""

By WAYNE BENNETT

S-5786 FILED APRIL 15, 1996

*Div. A - w/d 4/17/96 (p.1431)*

*Div. B - adopted 4/22/96 (p.1460)*



HOUSE FILE 2234

H-6045

1 Amend the Senate amendment, H-6041, to House File  
2 2234, as passed by the House, as follows:  
3 1. Page 1, line 39, by striking the figure "1998"  
4 and inserting the following: "1997".

By WEIGEL of Chickasaw

H-6045 FILED APRIL 24, 1996

*Root 4-24-96 (P. 1886)*

HOUSE FILE 2234

H-6046

1 Amend the Senate amendment, H-6041, to House File  
2 2234, as passed by the House, as follows:  
3 1. Page 1, by inserting before line 40 the  
4 following: "The total number of businesses which may  
5 be deemed an eligible business under this section  
6 shall not exceed five in any fiscal year."

By WEIGEL of Chickasaw

H-6046 FILED APRIL 24, 1996

*Withdrawn 4-24-96 (P. 1887)*

SENATE AMENDMENT TO  
HOUSE FILE 2234

H-6041

1 Amend House File 2234, as passed by the House, as  
2 follows:

3 1. Page 1, by striking lines 7 through 31 and  
4 inserting the following:

5 "Sec. \_\_\_\_ . NEW SECTION. 15.331B EXEMPTION FROM  
6 LAND OWNERSHIP RESTRICTIONS FOR NONRESIDENT ALIENS.

7 1. The eligible business, to the extent the  
8 eligible business is not actively engaged in farming  
9 within the economic development area, may acquire and  
10 own up to one thousand acres of land in the economic  
11 development area, notwithstanding the provisions of  
12 section 567.3 if the eligible business has been  
13 designated an exempt business under subsection 3. An  
14 eligible business may lease up to an additional two  
15 hundred eighty acres of land in the economic  
16 development area.

17 The eligible business may receive one or more one-  
18 year extensions of the time limit for complying with  
19 the requirements of section 567.4. Each extension  
20 must be approved by the community prior to approval by  
21 the department. The eligible business shall comply  
22 with the remaining provisions of chapter 567 to the  
23 extent they do not conflict with this subsection.

24 2. "Actively engaged in farming" means any of the  
25 following:

26 a. Inspecting agricultural production activities  
27 within the economic development area periodically and  
28 furnishing at least half of the value of the tools and  
29 paying at least half the direct cost of production.

30 b. Regularly and frequently making or taking an  
31 important part in making management decisions  
32 substantially contributing to or affecting the success  
33 of the farm operations within the economic development  
34 area.

35 c. Performing physical work which significantly  
36 contributes to crop or livestock production.

37 3. An eligible business shall not receive the  
38 exemption under this section unless it has applied to  
39 be designated an exempt business by July 1, 1998.

40 4. The department of economic development shall  
41 monitor the activities of eligible businesses  
42 receiving the exemption under this section and report  
43 to the general assembly by December 15 of each year."

44 5. An eligible business that complies with this  
45 section shall be considered to be acquiring, owning,  
46 or leasing agricultural land for immediate or  
47 potential use in nonfarming purposes under section  
48 9H.4, subsection 4."

49 2. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-6041 FILED APRIL 23, 1996

*House Concurred*  
4/24/96 (P. 1887)

Larson, Chair  
Hannit-Berry  
S. Warstadt

HSB 563  
ECONOMIC DEVELOPMENT

Suc. ded By  
SF / HF 223

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
ECONOMIC DEVELOPMENT  
BILL BY CHAIRPERSON  
LARSON)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to exempting certain nonresident aliens from land  
2 ownership restrictions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 15.331B EXEMPTION FROM LAND  
2 OWNERSHIP RESTRICTIONS FOR NONRESIDENT ALIENS.

3 1. The eligible business and a supporting business, to the  
4 extent the eligible business or the supporting business is not  
5 actively engaged in farming within the economic development  
6 area, may acquire, own, and lease land in the economic  
7 development area, notwithstanding the provisions of sections  
8 9H.4, 9H.5, and 567.3, and shall be exempt from the  
9 requirements of section 567.4. The eligible business and  
10 supporting business shall comply with the remaining provisions  
11 of chapters 9H and 567 to the extent they do not conflict with  
12 this subsection.

13 2. "Actively engaged in farming" means any of the  
14 following:

15 a. Inspecting agricultural production activities within  
16 the economic development area periodically and furnishing at  
17 least half of the value of the tools and paying at least half  
18 the direct cost of production.

19 b. Regularly and frequently making or taking an important  
20 part in making management decisions substantially contributing  
21 to or affecting the success of the farm operations within the  
22 economic development area.

23 c. Performing physical work which significantly  
24 contributes to crop or livestock production.

25 EXPLANATION

26 This bill provides that an eligible business and supporting  
27 businesses under the new jobs and income program are exempt  
28 from the limitations on ownership by foreign corporations of  
29 agricultural land in Iowa so long as the business owning the  
30 land is not actively engaged in farming.

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HOUSE FILE 2234

AN ACT

RELATING TO EXEMPTING CERTAIN NONRESIDENT ALIENS FROM LAND OWNERSHIP RESTRICTIONS.

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

Section 1. Section 15.327, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. "Economic development area" means a site or sites designated by the department for the purpose of attracting an eligible business to locate facilities within the state.

Sec. 2. NEW SECTION. 15.331B EXEMPTION FROM LAND OWNERSHIP RESTRICTIONS FOR NONRESIDENT ALIENS.

1. The eligible business, to the extent the eligible business is not actively engaged in farming within the economic development area, may acquire and own up to one thousand acres of land in the economic development area, notwithstanding the provisions of section 567.3 if the eligible business has been designated an exempt business under subsection 3. An eligible business may lease up to an additional two hundred eighty acres of land in the economic development area.

The eligible business may receive one or more one-year extensions of the time limit for complying with the requirements of section 567.4. Each extension must be approved by the community prior to approval by the department. The eligible business shall comply with the remaining provisions of chapter 567 to the extent they do not conflict with this subsection.

2. "Actively engaged in farming" means any of the following:

a. Inspecting agricultural production activities within the economic development area periodically and furnishing at least half of the value of the tools and paying at least half the direct cost of production.

b. Regularly and frequently making or taking an important part in making management decisions substantially contributing to or affecting the success of the farm operations within the economic development area.

c. Performing physical work which significantly contributes to crop or livestock production.

3. An eligible business shall not receive the exemption under this section unless it has applied to be designated an exempt business by July 1, 1998.

4. The department of economic development shall monitor the activities of eligible businesses receiving the exemption under this section and report to the general assembly by December 15 of each year.

5. An eligible business that complies with this section shall be considered to be acquiring, owning, or leasing agricultural land for immediate or potential use in nonfarming purposes under section 9H.4, subsection 4.

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RON J. CORBETT  
Speaker of the House

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LEONARD L. BOSWELL  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2234, Seventy-sixth General Assembly.

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ELIZABETH ISAACSON  
Chief Clerk of the House

Approved 5/2, 1996

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TERRY E. BRANSTAD  
Governor