

2-19-96 Referred to Approp.

MAR 14 1995
Agriculture

HOUSE FILE 412
BY KREMER

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

A BILL FOR

1 An Act amending the linked investments for tomorrow Act by
2 providing that persons involved in the production, processing,
3 and marketing of nontraditional livestock, including the
4 breeding or training of certain horses and dogs, are eligible
5 for assistance.

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

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HF 412

1 Section 1. Section 12.32, subsection 1, Code 1995, is
2 amended to read as follows:

3 1. "Eligible borrower" means any person who is in the
4 business or is entering the business of producing, processing,
5 or marketing horticultural crops, ~~or~~ nontraditional crops, or
6 nontraditional livestock in this state, including but not
7 limited to the breeding or training of horses and dogs which
8 are involved in racing at a facility licensed pursuant to
9 chapter 99D.

10 Sec. 2. Section 12.33, subsection 1, Code 1995, is amended
11 by adding the following new paragraph:

12 NEW PARAGRAPH. c. That there is an increasing expansion
13 of nontraditional livestock production which promises new
14 opportunities for agricultural animal producers, creates new
15 value-added products, and ensures greater diversity in
16 agricultural production.

17 Sec. 3. Section 12.33, subsections 2 and 3, Code 1995, are
18 amended to read as follows:

19 2. The linked investments for tomorrow program provided
20 for in this division is intended to provide statewide
21 availability of lower cost funds for lending purposes that
22 will stimulate existing or encourage new businesses in the
23 area of producing, processing, or marketing horticultural ~~or~~
24 crops, nontraditional crops, or nontraditional livestock,
25 including but not limited to the breeding or training of
26 horses and dogs which are involved in racing at a facility
27 licensed pursuant to chapter 99D.

28 3. It is the public policy of the state through the linked
29 investments for tomorrow program to create an availability of
30 lower cost funds to inject needed capital into the business of
31 producing, processing, or marketing horticultural crops, ~~or~~
32 nontraditional crops, or nontraditional livestock, including
33 but not limited to the breeding or training of horses and dogs
34 which are involved in racing at a facility licensed pursuant
35 to chapter 99D.

1 Sec. 4. Section 12.34, subsection 2, Code 1995, is amended
2 to read as follows:

3 2. The treasurer shall adopt rules pursuant to chapter 17A
4 to implement this division including, but not limited to,
5 rules identifying horticultural crops, and nontraditional
6 crops, and nontraditional livestock, including but not limited
7 to the breeding or training of horses and dogs which are
8 involved in racing at a facility licensed pursuant to chapter
9 99D, for which the linked investments may be loaned.

10 Sec. 5. Section 12.35, subsection 1, Code 1995, is amended
11 to read as follows:

12 1. An eligible lending institution that desires to receive
13 a linked investment shall accept and review applications for
14 loans from eligible borrowers. The lending institution shall
15 apply all usual lending standards to determine the credit
16 worthiness of each eligible borrower. Loan applications shall
17 be for the purchase or lease of land, machinery, equipment,
18 seed, fertilizer, direct marketing facilities, or new or
19 expanding production, processing, or marketing facilities for
20 horticultural crops, or nontraditional crops, or
21 nontraditional livestock, including but not limited to the
22 breeding or training of horses and dogs which are involved in
23 racing at a facility licensed pursuant to chapter 99D. The
24 maximum size of a loan is two hundred thousand dollars per
25 borrower for a production loan and five hundred thousand
26 dollars for processing or marketing facilities.

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EXPLANATION

28 This bill amends chapter 12 which in part provides for the
29 "Linked Investments for Tomorrow Act". This program provides
30 that the treasurer of state may place a certificate of deposit
31 with an eligible lending institution, at an interest rate not
32 more than three percent below current market rates on the
33 condition that the institution agrees to lend the value of the
34 deposit, according to an investment agreement to an eligible
35 borrower at a rate not to exceed four percent above the rate

1 paid on the certificate of deposit. The purpose of the Act is
2 to increase the availability of lower cost funds for lending
3 purposes that will stimulate existing or encourage new
4 businesses in the area of producing, processing, or marketing
5 horticultural or nontraditional crops. This bill expands the
6 program to include the production, processing, or marketing of
7 nontraditional livestock, including but not limited to the
8 breeding or training of horses and dogs which are involved in
9 racing at a facility licensed pursuant to chapter 99D.

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