

FEB 25 1999
Agriculture

HOUSE FILE 406
BY TEIG

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

A BILL FOR

1 An Act relating to Iowa agricultural industry finance
2 corporations and investments by banks.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 406

1 Section 1. Section 12C.6A, subsection 4, paragraph g, Code
2 1999, is amended to read as follows:

3 g. Participation in local community and rural development
4 and redevelopment projects, and in state and federal business
5 and economic development programs, including investment in an
6 Iowa agricultural industry finance corporation formed under
7 the Iowa agricultural industry finance Act pursuant to chapter
8 15E or in an investment fund controlled by an Iowa
9 agricultural industry finance corporation.

10 EXPLANATION

11 In 1998, the general assembly enacted Senate File 2415
12 (1998 Iowa Acts, ch. 1207) which allowed the formation of
13 agricultural industry finance corporations for the purpose of
14 encouraging local agricultural producer-led ventures to expand
15 production and processing of high value agricultural products.
16 This bill amends provisions relating to investments made by
17 banks.

18 Code section 12C.6A requires that public funds of the state
19 be deposited in a financial institution which demonstrates a
20 commitment to serve the needs of the local community in which
21 it is chartered to do business. This required commitment may
22 be demonstrated by participation in local community and rural
23 development and redevelopment projects, and in state and
24 federal business and economic development programs. This bill
25 provides that the bank's participation may include investment
26 in an Iowa agricultural industry finance corporation or an
27 investment fund controlled by an Iowa agricultural industry
28 finance corporation.

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