

FEB 19 2002
Agriculture

HOUSE FILE 2438
BY KUHN and MERTZ

(COMPANION TO LSB 5659SS
BY FIEGEN)

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

A BILL FOR

1 An Act relating to agricultural seed, by restricting certain
2 pricing practices, making penalties applicable, and providing
3 an effective date.

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

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HF 2438

1 Section 1. Section 199.1, Code 2001, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 6A. "Genetically modified" means to alter
4 the genetic characteristics of a plant by modifying the
5 deoxyribonucleic acid of the plant's seed in a manner other
6 than by breeding or pollination.

7 NEW SUBSECTION. 14A. "Patent holder" means a person who
8 holds rights of intellectual property in a plant or plant
9 part, including but not limited to a genetically engineered
10 crop seed or crop originating from a genetically engineered
11 crop seed, which is granted under letters patent by the United
12 States patent and trademark office of the United States
13 department of commerce.

14 NEW SUBSECTION. 19A. "Seed labeler" means a person
15 required to label seed as provided in section 199.3 or 199.4.

16 Sec. 2. Section 199.8, Code 2001, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 4. A person who is a patent holder or
19 seed labeler shall not engage in unfair pricing practices when
20 selling or offering for sale genetically modified agricultural
21 seed for the end purpose of crop production, regardless of
22 whether the purchaser is a producer or a vendor who resells
23 the agricultural seed. For purposes of this subsection, a
24 person engages in unfair pricing practices by charging a
25 purchaser an assessment including but not limited to a fee or
26 royalty, based on the genetic modification or the genetic
27 characteristics of the agricultural seed, but the person does
28 not charge the same assessment to another purchaser in this
29 state or in any other domestic or foreign market. Any
30 provision in a contract providing an assessment in violation
31 of this subsection is void.

32 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
33 immediate importance, takes effect upon enactment.

34 EXPLANATION

35 This bill amends Code chapter 199, which regulates the sale

1 of seed including agricultural seed. The bill amends Code
2 section 199.8, which lists a number of illegal activities, by
3 prohibiting a person who is a patent holder or seed labeler of
4 agricultural seed from engaging in unfair pricing practices
5 when selling or offering for sale genetically modified
6 agricultural seed for the end purpose of crop production.

7 The bill provides that unfair pricing practices occur when
8 the person charges the purchaser an assessment based on the
9 agricultural seed's genetic modification, but the person does
10 not charge the same assessment to another purchaser in this
11 state or in any other domestic or foreign market.

12 The bill provides that a provision in a contract providing
13 for such an assessment is void.

14 According to Code section 199.13, a person who violates
15 Code section 199.8 is guilty of a simple misdemeanor. A
16 simple misdemeanor is punishable by confinement for no more
17 than 30 days or a fine of at least \$50 but not more than \$500,
18 or by both.

19 The bill takes effect upon enactment.

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