

JAN 20 2004
NATURAL RESOURCES

HOUSE FILE **2050**
BY MANTERNACH

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

A BILL FOR

1 An Act relating to the sale of nursery stock by state nurseries.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2050

1 Section 1. Section 456A.20, Code 2003, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 3. a. The department shall, by rule
4 pursuant to chapter 17A, annually establish nursery stock
5 prices for the sale of nursery stock at private sale that
6 reflect both the actual costs to the state, as required by
7 generally accepted accounting principles, of producing and
8 selling the nursery stock and the additional estimated private
9 enterprise costs, as required by generally accepted accounting
10 principles, that would be incurred if the state was a private
11 enterprise producing and selling similar nursery stock.

12 Private enterprise costs include but are not limited to the
13 following:

14 (1) The cost or value of the land on which the nursery
15 stock is produced.

16 (2) The cost or value of the buildings and equipment used.

17 (3) Repair and rehabilitation costs of the buildings and
18 equipment used.

19 (4) Personal property and corporate income taxes.

20 (5) Loan and interest costs.

21 (6) Salary and benefit costs of personnel.

22 (7) Insurance costs.

23 b. The department shall prepare an annual report at the
24 end of the fiscal year that contains all of the following:

25 (1) A projection of the demand for nursery stock of each
26 variety and size available for private sale, for the next
27 year.

28 (2) A projection of the demand for nursery stock of each
29 variety and size available for private sale, for the next five
30 years, updated annually.

31 (3) Sales information concerning the moneys received by
32 the department from the sale that year of nursery stock,
33 including the variety and size and amount of each kind of
34 nursery stock sold.

35 (4) A projection of the number of each variety and size of

1 nursery stock from any source, that will be produced for sale
2 and will be sold to be planted in the next year on federal,
3 state, and county lands and on other lands pursuant to state
4 and federal cost-sharing programs.

5 (5) Sales information concerning the actual number of each
6 variety and size of nursery stock from any source that was
7 produced for sale and was planted that year on federal, state,
8 and county lands and on other lands pursuant to state and
9 federal cost-sharing programs.

10 c. The department may sell nursery stock from state
11 nurseries at private sale as otherwise allowed by statute, but
12 the department shall not sell nursery stock at private sale in
13 an amount that exceeds twenty-eight percent of the total
14 demand projected for that year by the department for the uses
15 set forth under paragraph "b", subparagraph (4).

16 d. If the department sells nursery stock at private sale
17 during any year that exceeds twenty-eight percent of the
18 nursery stock that was actually sold that year for the uses
19 set forth under paragraph "b", subparagraph (4), the
20 department shall reduce the amount of nursery stock available
21 for sale for the following year by the same amount that
22 private sales exceeded the allowable amount for the previous
23 year. If the department sells nursery stock at private sale
24 during the previous year that is twenty-eight percent or less
25 of the nursery stock that was actually sold that year for the
26 uses set forth under paragraph "b", subparagraph (4), the
27 department shall continue to meet the requirements of
28 paragraph "c" for the following year without any adjustments.

29 e. Paragraphs "c" and "d" are applicable beginning January
30 1, 2006.

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EXPLANATION

32 This bill relates to the private sale of nursery stock by
33 state nurseries. The bill provides that the department of
34 natural resources, by rule adopted pursuant to Code chapter
35 17A, shall annually establish nursery stock prices for the

1 sale of nursery stock at private sale that reflect both the
2 actual costs to the state of producing and selling the nursery
3 stock and the additional estimated private enterprise costs of
4 producing and selling similar nursery stock that would be
5 incurred if the state was a private enterprise.

6 "Private enterprise costs" are defined to include but are
7 not limited to the cost or value of land on which the nursery
8 stock is produced, the cost or value of buildings and
9 equipment used, repair and rehabilitation costs of buildings
10 and equipment used, personal property and corporate income
11 taxes, loan and interest costs, salary and benefit costs of
12 personnel, and insurance costs.

13 The bill also requires the department to prepare an annual
14 report at the end of each fiscal year that contains a
15 projection of the demand for nursery stock available for
16 private sale for the following year; a projection of the
17 demand for nursery stock available for private sale for the
18 next five years, updated annually; sales information
19 concerning the moneys received by the department from the sale
20 of nursery stock; a projection of the number of each variety
21 and size of nursery stock available from any source that will
22 be produced for sale and will be sold in the next year to be
23 planted on federal, state, and county lands and on other lands
24 pursuant to state and federal cost-sharing programs; and
25 information concerning the actual number of each variety and
26 size of nursery stock available from any source that was
27 produced for sale and was sold that year to be planted on
28 federal, state, and county lands and on other lands pursuant
29 to state and federal cost-sharing programs.

30 The bill provides that beginning January 1, 2006, the
31 department may sell nursery stock from state nurseries as
32 otherwise allowed by statute, but the department shall not
33 sell nursery stock at private sale in an amount that exceeds
34 28 percent of the total demand projected for that year by the
35 department to be planted on federal, state, and county lands

1 and on other lands pursuant to state and federal cost-sharing
2 programs.

3 The bill also provides that beginning January 1, 2006, if
4 the department sells nursery stock at private sale in an
5 amount that exceeds the allowable percentage of the nursery
6 stock that was actually sold that year to be planted on
7 federal, state, and county lands and on other lands pursuant
8 to state and federal cost-sharing programs, the department
9 shall reduce the amount of nursery stock available for sale
10 for the following year by the same amount that private sales
11 exceeded the allowable amount for the previous year. If the
12 department sells less nursery stock at private sale during the
13 previous year than the allowable percentage of actual amounts
14 sold, the department is still limited by the allowable
15 percentage requirements without any adjustment.

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