

MAR 13 2003

HOUSE FILE 547
BY COMMITTEE ON AGRICULTURE

Place On Calendar

(SUCCESSOR TO HSB 236)

Passed House, Date Passed 3/19/03 ^{4/21/03} Passed Senate, Date Passed 4/14/03
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved 4/28/03

A BILL FOR

1 An Act providing for evidence of financial responsibility filed
2 by commercial pesticide applicators.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 547

1 Section 1. Section 206.2, Code 2003, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 8A. "Department" means the department of
4 agriculture and land stewardship.

5 NEW SUBSECTION. 10A. "Financial institution" means a bank
6 or savings and loan association authorized by this state or by
7 the laws of the United States, which is a member of the
8 federal deposit insurance corporation or the federal savings
9 and loan insurance corporation.

10 Sec. 2. Section 206.13, Code 2003, is amended to read as
11 follows:

12 206.13 ~~SURETY-BOND-OR-INSURANCE~~ EVIDENCE OF FINANCIAL
13 RESPONSIBILITY REQUIRED OF BY COMMERCIAL APPLICATOR.

14 The ~~secretary~~ department shall not issue a commercial
15 applicator's license as required in section 206.6 until the
16 applicant has furnished evidence of financial responsibility
17 with the ~~secretary-consisting-either-of~~ department. The
18 evidence of financial responsibility shall consist of a surety
19 bond, or a liability insurance policy, or an irrevocable
20 letter of credit issued by a financial institution. The
21 department may accept a certification thereof of the evidence
22 of financial responsibility. Such-surety-bond-or-liability
23 insurance-policy The evidence of financial responsibility
24 shall ~~provide-coverage-to pay on-behalf-of the insured-all~~
25 ~~sums-which-the-insured-shall-become~~ amount that the
26 beneficiary is legally obligated to pay as damages as-a-result
27 of caused by the pesticide operations of the applicant.
28 However, the ~~surety-bond-or-liability-insurance-policy-will~~
29 evidence of financial responsibility does not apply to damages
30 or an injury which are-either is expected or intended from the
31 standpoint of the insured beneficiary. Any-such A liability
32 insurance policy shall be subject to the insurer's policy
33 provisions filed with and approved by the commissioner of
34 insurance. The surety-bond-or-liability-insurance-policy
35 submitted-as evidence of financial responsibility need not

1 apply to damages or injury to agricultural crops, plants, or
2 land being worked upon by the applicant.

3 The amount of the ~~surety-bond-or-liability-insurance~~
4 evidence of financial responsibility as provided for in this
5 section shall be not less than fifty thousand dollars for
6 property damage and public liability insurance, each
7 separately. ~~Such-surety-bond-or-liability-insurance~~ The
8 evidence of financial responsibility shall be maintained at
9 not less than that ~~sum~~ amount at all times during the licensed
10 period. The ~~secretary~~ department shall be notified ten days
11 prior to any reduction in the surety bond or liability
12 insurance made at the request of the applicant or cancellation
13 of ~~such~~ the surety bond by the surety or the liability
14 insurance by the ~~surety-or~~ insurer. The department shall be
15 notified ninety days prior to any reduction of the amount of
16 the irrevocable letter of credit at the request of the
17 applicant or the cancellation of the irrevocable letter of
18 credit by the financial institution. The total and aggregate
19 liability of the surety, and insurer, or financial institution
20 for all claims shall be limited to the face of the surety
21 bond, or liability insurance policy, or irrevocable letter of
22 credit.

23 EXPLANATION

24 This bill amends Code chapter 206 which provides for the
25 regulation of pesticides by the department of agriculture and
26 land stewardship. Code section 206.6 provides that a person
27 engaged in the business of applying pesticides must be
28 licensed. The bill in part amends Code section 206.13 which
29 currently requires that a licensee furnish the department with
30 evidence of financial responsibility consisting of either a
31 surety bond or a liability insurance policy. The bill
32 provides that the licensee may also file an irrevocable letter
33 of credit with the department.

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HOUSE FILE 547

S-3122

- 1 Amend House File 547, as passed by the House, as
2 follows:
3 1. Page 2, by inserting after line 22, the
4 following:
5 "Sec. ____ . EFFECTIVE DATE. This Act, being deemed
6 of immediate importance, takes effect upon enactment."
7 2. Title page, line 2, by inserting after the
8 word "applicators" the following: ", and providing an
9 effective date".
10 3. By renumbering as necessary.

By COMMITTEE ON AGRICULTURE
JERRY BEHN, Chairperson

S-3122 FILED APRIL 1, 2003

Adopted 4/13/03

SENATE AMENDMENT TO
HOUSE FILE 547

H-1334

- 1 Amend House File 547, as passed by the House, as
2 follows:
3 1. Page 2, by inserting after line 22, the
4 following:
5 "Sec. ____ . EFFECTIVE DATE. This Act, being deemed
6 of immediate importance, takes effect upon enactment."
7 2. Title page, line 2, by inserting after the
8 word "applicators" the following: ", and providing an
9 effective date".
10 3. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-1334 FILED APRIL 14, 2003

House concurred 4/21/03

Wilson - Chair
Klemme
Whitaker

Succ
SF 0547

HSB 236
Agriculture

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON DRAKE)

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act providing for evidence of financial responsibility filed
2 by commercial pesticide applicators.

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

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1 Section 1. Section 206.2, Code 2003, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 8A. "Department" means the department of
4 agriculture and land stewardship.

5 NEW SUBSECTION. 10A. "Financial institution" means a bank
6 or savings and loan association authorized by this state or by
7 the laws of the United States, which is a member of the
8 federal deposit insurance corporation or the federal savings
9 and loan insurance corporation.

10 Sec. 2. Section 206.13, Code 2003, is amended to read as
11 follows:

12 206.13 SURETY BOND OR INSURANCE REQUIRED OF COMMERCIAL
13 APPLICATOR.

14 The secretary department shall not issue a commercial
15 applicator's license as required in section 206.6 until the
16 applicant has furnished evidence of financial responsibility
17 with the secretary-consisting-either-of department. The
18 evidence of financial responsibility shall consist of a surety
19 bond, or a liability insurance policy, or an irrevocable
20 letter of credit issued by a financial institution. The
21 department may accept a certification thereof of the evidence
22 of financial responsibility. Such-surety-bond-or-liability
23 insurance-policy The evidence of financial responsibility
24 shall provide-coverage-to pay on-behalf-of the insured-all
25 sums-which-the-insured-shall-become amount that the
26 beneficiary is legally obligated to pay as damages as-a-result
27 of caused by the pesticide operations of the applicant.
28 However, the surety-bond-or-liability-insurance-policy-will
29 evidence of financial responsibility does not apply to damages
30 or an injury which are-either is expected or intended from the
31 standpoint of the insured beneficiary. Any-such A liability
32 insurance policy shall be subject to the insurer's policy
33 provisions filed with and approved by the commissioner of
34 insurance. The surety-bond-or-liability-insurance-policy
35 submitted-as evidence of financial responsibility need not

1 apply to damages or injury to agricultural crops, plants, or
2 land being worked upon by the applicant.

3 The amount of the ~~surety-bond-or-liability-insurance~~
4 evidence of financial responsibility as provided for in this
5 section shall be not less than fifty thousand dollars for
6 property damage and public liability insurance, each
7 separately. ~~Such-surety-bond-or-liability-insurance~~ The
8 evidence of financial responsibility shall be maintained at
9 not less than that sum amount at all times during the licensed
10 period. The ~~secretary~~ department shall be notified ten days
11 prior to any reduction at the request of the applicant or
12 cancellation of ~~such-surety-bond-or-liability-insurance~~ the
13 evidence of financial responsibility by the ~~surety-or~~ insurer
14 of the surety bond, insurance policy, or irrevocable letter of
15 credit. The total and aggregate liability of the surety and
16 bond, insurer, or financial institution for all claims shall
17 be limited to the face value of the bond, ~~or-liability~~
18 insurance policy, or letter of credit.

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EXPLANATION

20 This bill amends Code chapter 206 which provides for the
21 regulation of pesticides by the department of agriculture and
22 land stewardship. Code section 206.6 provides that a person
23 engaged in the business of applying pesticides must be
24 licensed. The bill in part amends Code section 206.13 which
25 currently requires that a licensee furnish the department with
26 evidence of financial responsibility consisting of either a
27 surety bond or a liability insurance policy. The bill
28 provides that the licensee may also file an irrevocable letter
29 of credit with the department.

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AN ACT

PROVIDING FOR EVIDENCE OF FINANCIAL RESPONSIBILITY FILED BY
COMMERCIAL PESTICIDE APPLICATORS, AND PROVIDING AN
EFFECTIVE DATE.

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

Section 1. Section 206.2, Code 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 8A. "Department" means the department of agriculture and land stewardship.

NEW SUBSECTION. 10A. "Financial institution" means a bank or savings and loan association authorized by this state or by the laws of the United States, which is a member of the federal deposit insurance corporation or the federal savings and loan insurance corporation.

Sec. 2. Section 206.13, Code 2003, is amended to read as follows:

206.13 ~~SURETY-BOND-OR-INSURANCE~~ EVIDENCE OF FINANCIAL RESPONSIBILITY REQUIRED ~~OF~~ BY COMMERCIAL APPLICATOR.

The ~~secretary~~ department shall not issue a commercial applicator's license as required in section 206.6 until the applicant has furnished evidence of financial responsibility with the ~~secretary-consisting-either-of~~ department. The evidence of financial responsibility shall consist of a surety bond, or a liability insurance policy, or an irrevocable letter of credit issued by a financial institution. The department may accept a certification thereof of the evidence of financial responsibility. Such-surety-bond-or-liability

~~insurance-policy~~ The evidence of financial responsibility shall provide-coverage-to pay on-behalf-of the insured-all sums-which-the-insured-shall-become amount that the beneficiary is legally obligated to pay as damages ~~as-a-result of caused by~~ the pesticide operations of the applicant. However, the ~~surety-bond-or-liability-insurance-policy-will~~ evidence of financial responsibility does not apply to damages or an injury which ~~are-either~~ is expected or intended from the standpoint of the ~~insured~~ beneficiary. ~~Any-such~~ A liability insurance policy shall be subject to the insurer's policy provisions filed with and approved by the commissioner of insurance. The ~~surety-bond-or-liability-insurance-policy~~ submitted-as evidence of financial responsibility need not apply to damages or injury to agricultural crops, plants, or land being worked upon by the applicant.

The amount of the ~~surety-bond-or-liability-insurance~~ evidence of financial responsibility as provided for in this section shall be not less than fifty thousand dollars for property damage and public liability insurance, each separately. ~~Such-surety-bond-or-liability-insurance~~ The evidence of financial responsibility shall be maintained at not less than that ~~sum~~ amount at all times during the licensed period. The ~~secretary~~ department shall be notified ten days prior to any reduction in the surety bond or liability insurance made at the request of the applicant or cancellation of ~~such~~ the surety bond by the surety or the liability insurance by the ~~surety-or~~ insurer. The department shall be notified ninety days prior to any reduction of the amount of the irrevocable letter of credit at the request of the applicant or the cancellation of the irrevocable letter of credit by the financial institution. The total and aggregate liability of the surety, and insurer, or financial institution for all claims shall be limited to the face of the surety bond, or liability insurance policy, or irrevocable letter of credit.

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

CHRISTOPHER C. RANTS
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 547, Eightieth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved _____, 2003

THOMAS J. VILSACK
Governor