

SENATE FILE 345
BY HOSCH

(COMPANION TO LSB 2542HH
BY MANTERNACH)

Passed Senate, Date _____ Passed House, 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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SF 345
BUSINESS & LABOR

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 EXPLANATION

30 This bill relates to the private sale of nursery stock by
31 state nurseries. The bill provides that the department of
32 natural resources, by rule adopted pursuant to Code chapter
33 17A, shall annually establish nursery stock prices for the
34 sale of nursery stock at private sale that reflect both the
35 actual costs to the state of producing and selling the nursery

1 stock and the additional estimated private enterprise costs of
2 producing and selling similar nursery stock that would be
3 incurred if the state was a private enterprise.

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

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

28 The bill provides that the department may sell nursery
29 stock from state nurseries as otherwise allowed by statute,
30 but the department shall not sell nursery stock at private
31 sale in an amount that exceeds 28 percent of the total demand
32 projected for that year by the department to be planted on
33 federal, state, and county lands and on other lands pursuant
34 to state and federal cost-sharing programs.

35 The bill also provides that if the department sells nursery

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

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