

5 with the name and address of the milk plant or hauler in possession
6 of the contents.

1 SEC. 4. Section one hundred ninety-two point two (192.2), sub-
2 section two (2), Code 1971, is amended to read as follows:

3 2. To persons who ~~do not~~ sell milk or cream from a ~~store or~~ vehicle.

1 SEC. 5. Section one hundred ninety-two point three (192.3), Code
2 1971, shall be amended to read as follows:

3 192.3 **Fee.** The fee for said license shall be three dollars for each
4 place ~~and for each vehicle~~ from which sales are made. The license
5 shall expire on July 4 after the date of issue and shall not be trans-
6 ferable.

1 SEC. 6. Section one hundred ninety-two point four (192.4), Code
2 1971, is amended to read as follows:

3 192.4 **Contents of license.** Such license shall be issued only to the
4 person owning or leasing the ~~vehicle or~~ place from which sales are to
5 be made; and each license shall contain the name, residence, and place
6 of business of the licensee.

1 SEC. 7. Section one hundred ninety-two point six (192.6), Code
2 1971, is repealed.

Approved April 22, 1972.

CHAPTER 1049

BONDING SLAUGHTERHOUSES

H. F. 391

AN ACT relating to the bonding of operators of slaughterhouses buying cattle, hogs, or sheep, and the bonding of agents, dealers, or brokers of such operators, and providing a penalty.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. When used in this Act, unless the context otherwise
2 requires:

3 1. "Animals" or "livestock" includes cattle, calves, swine, or sheep.
4 2. "Person" means an individual, partnership, association or cor-
5 poration, or any other business unit.

6 3. "Dealer" or "broker" means any person determined by the
7 department of agriculture to be engaged in the business of slaugh-
8 tering live animals or receiving or buying live animals for slaughter.

9 4. "Agent" means a person engaged in the business of buying
10 livestock for slaughter on behalf of any dealer or broker.

11 5. "Department" means the department of agriculture of this
12 state.

1 SEC. 2. No person shall act as a dealer or broker without first
2 being licensed. No agent shall act for any dealer or broker unless
3 such dealer or broker is licensed, has designated such agent to act
4 in his behalf, and has notified the department of the designation in

5 his application for license or has given official notice in writing of
6 the appointment of the agent and requested the department to issue
7 to the agent an agent's license. A dealer or broker shall be account-
8 able and responsible for contracts made by an agent in the course
9 of his employment. The license of an agent whose services are ter-
10 minated by or with the dealer or broker shall be void on the date
11 written notice of termination is received by the department. The
12 license of a dealer, broker, or agent, unless revoked, shall expire on
13 the last day of June following the date of issue. The annual fee for
14 the license of a dealer or broker is twenty-five dollars. The annual
15 fee for an agent's license is ten dollars.

1 SEC. 3. Application for a license as a dealer or broker or as an
2 agent shall be made in writing to the department. The application
3 shall state the nature of the business, the municipal corporation,
4 township and county, the post office address at which the business
5 is to be conducted, and such additional information as the depart-
6 ment may prescribe.
7 The applicant upon satisfying the department of his character and
8 good faith in seeking to engage in such business and upon complying
9 with such other requirements specified in this Act, shall be issued
10 by the department a license to conduct the business of a dealer,
11 broker, or agent at the place named in the application.

1 SEC. 4. No license shall be issued by the department to a dealer
2 or broker until the applicant has furnished proof of financial respon-
3 sibility. The proof of financial responsibility shall be approved by
4 the department. The proof may be in the following forms:
5 1. A bond of a surety company authorized to do business in the
6 state of Iowa in the form prescribed by and to the satisfaction of
7 the department, conditioned for the payment of a judgment against
8 the applicant furnishing the bond because of nonpayment of obliga-
9 tions in connection with the purchase of animals.
10 The amount of bond for an established dealer or broker shall not
11 be less than the nearest multiple of five thousand dollars above twice
12 the average daily value of purchases of livestock, handled by such
13 applicant during the preceding twelve months or such parts thereof
14 as the applicant was purchasing livestock. For the purpose of this
15 computation, two hundred sixty is deemed the number of business
16 days in a year.
17 If a new dealer or broker not previously covered by this Act
18 applies for a license, the amount of bond shall be based on twice the
19 estimated average daily value of purchases of livestock.
20 At such time as the daily purchases of livestock by the dealer or
21 broker exceed twice the estimated average daily value of purchases
22 of livestock by more than five percent of the amount of his bond,
23 the dealer or broker shall adjust the amount of the bond to cover
24 livestock purchases.
25 Whenever the amount of the bond as calculated in this subsection
26 exceeds two hundred thousand dollars, the amount of the bond shall
27 be two hundred thousand dollars plus ten percent of the average
28 daily valuation in excess of two hundred thousand dollars. In no
29 case shall the amount of bond be less than five thousand dollars.

30 2. A deposit with the department of the required amount in money
31 or negotiable bonds of the United States or of the state of Iowa or a
32 political subdivision of the state of Iowa of that par or face value,
33 for the purpose of securing the payment of a judgment against the
34 applicant furnishing the deposit because of nonpayment of obliga-
35 tions in connection with the purchase of animals. The deposit shall
36 be made under a deposit agreement prescribed by the department.
37 The amount of the deposit shall be calculated in the exact manner
38 as the amount of a bond as provided in subsection one (1) of this
39 section. The deposit shall not be subject to attachment for any other
40 claim or levy of execution upon a judgment based on any other
41 claims.

42 Any person damaged by nonpayment of obligations or by any
43 misrepresentation or fraud on the part of a broker or dealer may
44 maintain an action against the broker or dealer and the sureties on
45 the bonds provided for in this section or for the application of the
46 deposit furnished the department. The aggregate liability of the
47 sureties for all such damage shall not exceed the amount of bond.
48 In the event that the aggregate judgments on the bond or the deposit
49 exceed the total amount of such bond or deposit, the amount payable
50 on account of any judgment shall be in the same proportion to the
51 bond or deposit as the individual judgment bears to the aggregate
52 judgments.

53 Unless the person damaged files his claim with the dealer or broker
54 and the sureties and the department within ninety days from the
55 date of the alleged violation, or within ninety days after the discov-
56 ery of nonpayment of obligations, fraud, or misrepresentation on the
57 part of the person complained against, the claimant shall be barred
58 from maintaining an action on the bond or for the application of the
59 deposit.

60 Whenever the department determines that the business volume of
61 the applicant or licensee is such as to render the bond or deposit
62 inadequate, the amount of the bond or deposit shall be, upon notice,
63 adjusted. All bonds or deposit agreements shall contain a provision
64 requiring that at least thirty days' prior notice in writing be given
65 to the department by the party terminating the bonds or deposit
66 agreements in order to effect termination.

67 The termination of a bond shall not release the parties from any
68 liability arising out of the facts or transactions occurring prior to
69 the termination date.

70 The termination of a deposit agreement shall neither release the
71 party furnishing the deposit from any liability arising out of acts
72 or transactions occurring prior to the termination date, nor shall the
73 department permit the withdrawal of the deposit until after ninety
74 days of the termination date, and then only if no claims under the
75 agreement have been filed with the department. If any claims have
76 been filed with the department, the withdrawal of the deposit shall
77 not be permitted until the claims have been satisfied or released and
78 evidence of the satisfaction or release filed with the department.

79 All moneys and securities deposited with the department shall be
80 handled in the following manner:

81 a. All securities deposited with the department shall remain in its
82 custody.

83 b. All moneys shall be delivered to the treasurer of state and
84 invested in the manner set forth in section four hundred fifty-two
85 point ten (452.10) of the Code, and he shall not relinquish the moneys
86 except upon the written orders of the department.

87 The owner shall be entitled to receive all income from moneys and
88 securities so deposited and the department shall issue a receipt for
89 each deposit setting forth this fact.

90 3. In lieu of a bond or deposit, the applicant may file an annual
91 sworn financial statement certified by a certified public accountant
92 showing all assets and liabilities. The statement shall show the appli-
93 cant's current net worth to be not less than five times the amount
94 of the bond or deposit otherwise required by this section. If upon
95 examination of any financial statement the department considers
96 that the applicant has furnished insufficient proof of financial respon-
97 sibility, a written order may be issued directing the applicant to
98 provide the bond or deposit required by this section. Failure to
99 comply with an order shall be cause for revocation or suspension of
100 license. It shall be unlawful for any officer or employee of the state
101 of Iowa to divulge or to make known in any manner whatever not
102 provided by law to any person the information contained in any
103 financial statement.

1 SEC. 5. Any dealer or broker who has a bond required by the
2 United States department of agriculture under the Packers and
3 Stockyards Act of 1921 as amended, Title seven (VII), sections one
4 hundred eighty-one (181) through two hundred thirty-one (231),
5 inclusive, United States Code, shall be exempt from the provisions
6 of this Act.

1 SEC. 6. The licensing provisions of this Act shall not apply to
2 any dealer or broker who has a license issued by the department to
3 conduct a food establishment or locker plant and who purchases
4 livestock for slaughter valued at less than an average daily value of
5 one thousand five hundred dollars during the preceding twelve months
6 or such part thereof as the dealer or broker was purchasing livestock.
7 Said licensees are made subject to this Act as to the regulatory and
8 penal provisions hereof. All other provisions of this Act shall apply
9 to said dealers or brokers.

1 SEC. 7. Every dealer or broker shall during all reasonable times
2 permit an authorized representative of the department to examine
3 all records relating to his business necessary in the enforcement of
4 this Act.

1 SEC. 8. The department shall have the power and authority to
2 enter into reciprocal agreements with the authorized representatives
3 of other federal or state jurisdictions for the exchange of informa-
4 tion and audit reports on a cooperative basis which may assist the
5 department in the proper administration of this Act.

1 SEC. 9. Any person violating any provision of this Act shall be
2 punished by a fine of not less than five hundred dollars nor more
3 than two thousand five hundred dollars, or imprisonment in the
4 county jail for not more than six months, or be punished by both
5 such fine and imprisonment.

Approved March 2, 1972.