

CHAPTER 15
IOWA FAMILY FARM DEVELOPMENT AUTHORITY
S.F. 117

AN ACT relating to the Iowa family farm development authority by revising definitions, amending requirements relating to the board, and imposing conditions on loans made by the authority to a beginning farmer.

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

Section 1. Section 175.2, subsections 5, 9, and 13, Code 1985, are amended to read as follows:

5. "Beginning farmer" means an individual or partnership with a low or moderate net worth ~~who that~~ engages in farming or wishes to engage in farming.

9. "Low or moderate net worth" means:

a. For an individual, an aggregate net worth of ~~an~~ the individual and the individual's spouse and minor children, if any, of less than ~~one~~ two hundred thousand dollars.

b. For a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children of less than four hundred thousand dollars. However, the aggregate net worth of each partner and that partner's spouse and minor children shall not exceed two hundred thousand dollars.

13. "Net worth" means total assets minus total liabilities as determined in accordance with generally accepted accounting principles with appropriate exceptions and exemptions reasonably related to an equitable determination of the family's or partnership's net worth. Assets shall be valued at fair market value.

Sec. 2. Section 175.2, subsection 8, Code 1985, is amended by striking the subsection and inserting in lieu thereof the following:

8. "Farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, the production of livestock, aquaculture, hydroponics, the production of forest products, or other activities designated by the authority by rules subject to chapter 17A.

Sec. 3. Section 175.3, subsections 1 and 3, Code 1985, are amended to read as follows:

1. The Iowa family farm development authority is established, and constituted a public instrumentality and agency of the state exercising public and essential governmental functions. The authority is established to undertake programs which assist beginning farmers in purchasing agricultural land and agricultural improvements and depreciable agricultural property for the purpose of farming, and programs which provide financing to farmers for permanent soil and water conservation practices on agricultural land within the state or for the acquisition of conservation farm equipment. The powers of the authority are vested in and exercised by a board of eleven members with nine members appointed by the governor subject to confirmation by the senate. The treasurer of state or the treasurer's designee and the secretary of agriculture or the secretary's designee are ex officio nonvoting

members. No more than five appointed members shall belong to the same political party. As far as possible the governor shall include within the membership persons who represent financial institutions experienced in agricultural lending, the real estate sales industry, farmers, beginning farmers, average taxpayers, local government, and ~~any other person~~ persons specially interested in family farm development.

3. ~~Six~~ Five voting members of the authority constitute a quorum and the affirmative vote of a majority of the voting members is necessary for any substantive action taken by the authority. The majority shall not include any member who has a conflict of interest and a statement by a member of that the member has a conflict of interest ~~shall be~~ is conclusive for this purpose. A vacancy in the membership does not impair the right of a quorum to exercise all rights and perform all duties of the authority.

Sec. 4. Section 175.12, subsection 3, paragraphs a, c, and g, Code 1985, are amended to read as follows:

a. The beginning farmer is a resident of the state. If the beginning farmer is a partnership, all partners shall be residents of the state.

c. The beginning farmer has sufficient education, training, or experience in the type of farming for which the beginning farmer requests the mortgage or secured loan. If the beginning farmer is a partnership, all partners shall have sufficient education, training, or experience in the type of farming for which the beginning farmer requests the mortgage or secured loan.

g. ~~The~~ If the beginning farmer is an individual, the agricultural land and agricultural improvements shall only be used for farming by the ~~beginning farmer or the farmer's family~~ individual, the individual's spouse, the individual's minor children, or any of them. If the beginning farmer is a partnership, the agricultural land and agricultural improvements shall only be used for farming by the partners, each partner's spouse, each partner's minor children, or any of them.

Sec. 5. Section 175.12, subsection 3, paragraphs d and f, Code 1985, are amended by striking the paragraphs and inserting in lieu thereof the following:

d. A loan to a beginning farmer for the acquisition of agricultural land and agricultural improvements does not exceed five hundred thousand dollars. A loan to a beginning farmer for the acquisition of depreciable agricultural property does not exceed one hundred twenty-five thousand dollars.

f. The beginning farmer will materially and substantially participate in farming. If the beginning farmer is a partnership, each partner shall materially and substantially participate in farming.

Sec. 6. This Act, being deemed of immediate importance, takes effect from and after its publication in the Audubon News-Advocate, a newspaper published in Audubon, Iowa, and in the Kossuth County Advance, a newspaper published in Algona, Iowa.

Approved March 20, 1985

I hereby certify that the foregoing Act was published in the Kossuth County Advance, Algona, Iowa on March 23, 1985 and in the Audubon News-Advocate, Audubon, Iowa on March 27, 1985.

MARY JANE ODELL, *Secretary of State*