

CHAPTER 1095
COUNTY OFFICER SALARY INCREASES
S.F. 2159

AN ACT relating to the reduction of recommended salary increases by the board of supervisors.

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

Section 1. Section 331.907, subsection 2, Code 1985, is amended to read as follows:

2. Annually during the month of December, the county compensation board shall transmit its recommended compensation schedule to the board of supervisors. The board of supervisors shall review the recommended compensation schedule and determine the final compensation schedule for the elected county officers which shall not exceed the recommended compensation schedule. In determining the final compensation schedule if the board of supervisors wishes to reduce the amount of the recommended compensation schedule, the annual salary or compensation of amount of salary increase proposed for each elected county officer shall be reduced an equal percentage. A copy of the final compensation schedule adopted by the board of supervisors shall be filed with the county budget at the office of the state comptroller. The final compensation schedule takes effect on July 1 following its adoption by the board of supervisors.

Approved April 17, 1986

CHAPTER 1096
HORTICULTURAL AND NONTRADITIONAL CROPS
H.F. 2313

AN ACT relating to horticultural crops and nontraditional crops by creating a linked deposit program to provide loan moneys for the production, processing, and marketing of horticultural crops or nontraditional crops and providing a preference for purchasing horticultural products grown in this state, providing for penalties, providing for a repeal, and providing for an effective date.

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

Section 1. NEW SECTION. 12.31 SHORT TITLE.

This division shall be known as the "Iowa Linked Deposit Act".

Sec. 2. NEW SECTION. 12.32 DEFINITIONS.

As used in this division, unless the context otherwise requires:

1. "Eligible lending institution" means a financial institution that is empowered to make commercial loans, is eligible pursuant to chapter 453 to be a depository of state funds, and agrees to participate in the linked deposit program.

2. "Eligible borrower" means any person who is in the business or is entering the business of producing, processing, or marketing horticultural crops or nontraditional crops in this state.

3. "Linked deposit" means a certificate of deposit placed pursuant to this division by the treasurer of state with an eligible lending institution, at an interest rate two percent below current market rates on the condition that the institution agrees to lend the value of the deposit, according to the deposit agreement provided in section 12.37, to an eligible borrower at a rate not to exceed four percent above the rate paid on the certificate of deposit.

Sec. 3. NEW SECTION. 12.33 LEGISLATIVE FINDINGS AND INTENT — PURPOSE.

1. The general assembly finds the following:
 - a. That many horticultural operations throughout the state are experiencing economic stagnation or decline.
 - b. That high interest rates have caused potentially viable operations to cease or not expand in the area of horticultural or nontraditional crop production, processing, or marketing.
2. The linked deposit program provided for in this division is intended to provide statewide availability of lower cost funds for lending purposes that will stimulate existing or encourage new businesses in the area of producing, processing, or marketing horticultural or nontraditional crops.
3. It is the public policy of the state through the linked deposit program to create an availability of lower cost funds to inject needed capital into the business of producing, processing, or marketing horticultural crops or nontraditional crops.

Sec. 4. NEW SECTION. 12.34 LINKED DEPOSITS — LIMITATIONS.

1. The treasurer of state may invest up to ten percent of the balance of the state pooled money fund in certificates of deposit in eligible lending institutions pursuant to this division.
2. The treasurer shall adopt rules pursuant to chapter 17A to implement this division including, but not limited to, rules identifying horticultural crops and nontraditional crops for which the linked deposits may be loaned.

Sec. 5. NEW SECTION. 12.35 APPLICATION.

1. An eligible lending institution that desires to receive a linked deposit shall accept and review applications for loans from eligible borrowers. The lending institution shall apply all usual lending standards to determine the credit worthiness of each eligible borrower. Loan applications shall be for the purchase or lease of land, machinery, equipment, seed, fertilizer, direct marketing facilities, or new or expanding processing facilities for horticultural crops or nontraditional crops. The maximum size of a loan is one hundred thousand dollars per borrower for a production loan and two hundred fifty thousand dollars for processing or marketing facilities.
2. The eligible financial institution shall forward to the state treasurer a linked deposit loan package in the form and manner as prescribed by the treasurer of state. The package shall include information required by the treasurer of state, including but not limited to the amount of the loan requested and the purpose of the loan. The institution shall certify that the applicant is an eligible borrower and shall certify the present borrowing rate applicable to the specific eligible borrower.

Sec. 6. NEW SECTION. 12.36 ACTIONS BY TREASURER.

1. The treasurer of state shall accept or reject a linked deposit loan package or any portion of the package based on the type or terms of the loan involved.
2. Upon acceptance of the linked deposit loan package or any portion of the package, the state treasurer shall place certificates of deposit with the eligible lending institution at a rate two percent below the current market rate. When necessary, the treasurer may place certificates of deposit prior to acceptance of a linked deposit loan package.
3. The eligible lending institution shall enter into a deposit agreement with the treasurer of state, which shall include requirements necessary to carry out this division. The requirements shall reflect the market conditions prevailing in the eligible lending institution's lending area. The agreement may include a specification of the period of time in which the lending institution is to lend funds upon the placement of a linked deposit, and shall include provisions for the certificates of deposit to be placed for one-year maturities that may be renewed for additional years. Interest shall be paid at the times determined by the treasurer of state.

Sec. 7. NEW SECTION. 12.37 LOANS.

1. Upon the placement of a linked deposit with an eligible lending institution, the institution is required to lend the funds to the eligible borrower listed in the linked deposit loan package and in accordance with the deposit agreement. The loan shall be at a rate not more than four percent above the rate paid the treasurer by the financial institution. The eligible lending institution shall be required to submit a certification of compliance with this section in the form and manner as prescribed by the treasurer of state.

2. The treasurer of state shall take all steps necessary to implement the linked deposit program and monitor compliance of eligible lending institutions and eligible borrowers.

Sec. 8. NEW SECTION. 12.38 REPORTS.

By February 1 of each year, the treasurer of state shall report on the linked deposit program for the preceding calendar year to the governor, the speaker of the house of representatives, and the president of the senate. The speaker of the house shall transmit copies of this report to the chairs of the standing committees in the house which customarily consider legislation regarding agriculture and commerce, and the president of the senate shall transmit copies of this report to the chairs of the standing committees in the senate which customarily consider legislation regarding agriculture and commerce. The report shall set forth the linked deposits made by the treasurer of state under the program during the year and shall include information regarding the nature, terms, and amounts of the loans upon which the linked deposits were based and the eligible borrowers to which the loans were made.

Sec. 9. NEW SECTION. 12.39 LIABILITY.

The state and the treasurer of state are not liable to an eligible lending institution in any manner for payment of the principal or interest on the loan to an eligible borrower. Any delay in payments or default on the part of an eligible borrower does not in any manner affect the deposit agreement between the eligible lending institution and the treasurer of state.

Sec. 10. Section 73.1, Code 1985, is amended to read as follows:

73.1 PREFERENCE AUTHORIZED – CONDITIONS.

Every commission, board, committee, officer or other governing body of the state, or of any county, township, school district or city, and every person acting as contracting or purchasing agent for any such commission, board, committee, officer or other governing body shall use only those products and provisions grown and coal produced within the state of Iowa, when they are found in marketable quantities in the state and are of a quality reasonably suited to the purpose intended, and can be secured without additional cost over foreign products or products of other states. This section shall apply to horticultural products grown in this state even if the products are not in the stage of processing that the agency usually purchases the product. However, this section does not apply to a school district purchasing food while the school district is participating in the federal school lunch program.

Sec. 11. Section 73.5, Code 1985, is amended to read as follows:

73.5 VIOLATIONS.

Any An officer or person who is connected with, or is a member or agent or representative of any a commission, board, committee, officer or other governing body of this state, or of any county, township, school district, city, or contractor, who fails to give preference to Iowa labor as required in sections 73.3 and 73.4, shall be this chapter is guilty of a simple misdemeanor. Each separate case of failure to give preference to Iowa labor shall constitute is a separate offense.

Sec. 12. It is the intent of the general assembly that this Act shall have temporary effect only, that sections 1 through 9 of this Act are repealed on July 1, 1989, and that the amendments to section 73.1 made in this Act shall be stricken on July 1, 1989.

Sec. 13. This Act, being deemed of immediate importance, takes effect from and after its publication in The Bancroft Register, a newspaper published in Bancroft, Iowa, and in the Marshalltown Times-Republican, a newspaper published in Marshalltown, Iowa.

Approved April 18, 1986

I hereby certify that the foregoing Act, House File 2313, was published in The Bancroft Register, Bancroft, Iowa, on April 23, 1986, and in the Marshalltown Times-Republican, Marshalltown, Iowa, on May 2, 1986.

MARY JANE ODELL, *Secretary of State*

CHAPTER 1097

APPROVAL OF COUNTY CONSERVATION PROJECTS

H.F. 2208

AN ACT to require state conservation commission approval of county conservation board projects for acquisition or exchange of land and general development plans where the costs of the project exceed twenty-five thousand dollars.

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

Section 1. Section 111A.4, subsection 3, Code 1985, is amended to read as follows:

3. The county conservation board shall file with and obtain approval of the state conservation commission on all proposals for acquisition or exchange of land, and all general development plans before any such program is executed. Approval of the state conservation commission shall not be necessary unless the value of the proposed exchange property or the cost of the proposed acquisition or development program exceeds twenty-five hundred thousand dollars.

Approved April 18, 1986

CHAPTER 1098

CITY COUNCIL REVIEW OF VARIANCES

H.F. 2220

AN ACT relating to the power of a city council over variances granted by a board of adjustment.

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

Section 1. Section 414.7, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The council may provide for its review of variances granted by the board of adjustment before their effective date. The council may remand a decision to grant a variance to the board of adjustment for further study. The effective date of the variance is delayed for thirty days from the date of the remand.

Approved April 18, 1986