

g. Coordinate its activities with the small business development centers, institutions under the control of the boards of regents, private colleges and universities and other public entities that are interested in economic development.

Sec. 7. NEW SECTION. 15.266 TAX LIABILITY — CREDIT.

Corporations organized in accordance with chapter 504A are exempt from the tax imposed under section 422.33. For purposes of avoiding federal tax liabilities, the articles of incorporation of the corporations created under this part shall be written in accordance with sections 504B.2 and 504B.3. Corporations organized for pecuniary profit are subject to taxes imposed under section 422.33.

Sec. 8. NEW SECTION. 15.267 OBLIGATIONS OF STATE — LIMITATIONS.

Loan guarantees made by a development corporation for which the state has contributed matching funds under this part shall be supported only by the moneys committed or contributed to the corporation or the fund. A loan guarantee agreement made by a corporation, contributor, or investor is not an obligation of the state or any of its subdivisions, except to the extent of moneys previously allocated to the corporation from the fund. A corporation or the board shall not pledge the credit or taxing power of the state and shall not make its obligations payable out of any moneys other than those committed or contributed to the corporation or previously appropriated to the fund.

Sec. 9. NEW SECTION. 15.268 NO RESTRICTION.

Nothing in this part shall be construed so as to restrict any corporation from fulfilling the purpose of this part if that corporation has not received state moneys under this part.

Sec. 10. CODE PLACEMENT. The Code editor shall codify new sections 15.261 through 15.268 as a new part in subchapter II of chapter 15.

Approved May 5, 1987

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## CHAPTER 107

### IOWA SEAL AGRICULTURAL PRODUCTS

*H.F. 576*

**AN ACT** providing for the grading and marking of Iowa seal agricultural products, and providing penalties.

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

Section 1. NEW SECTION. 543B.1 IOWA SEAL.

A seal for agricultural products shall be created under the direction of the department of agriculture and land stewardship to identify agricultural products that have been produced or processed in the state. The department shall certify that agricultural products marked with the Iowa seal are of the quality and specifications warranted by the sellers of those products.

The department of agriculture and land stewardship shall adopt rules under chapter 17A to provide methods of identifying, marking, and grading agricultural products, to prevent any misleading use of the Iowa seal, and as necessary or advisable to fully implement this section.

A violation of a rule adopted by the department of agriculture and land stewardship to implement this section is a simple misdemeanor. A fraudulent use of the term "Iowa Seal" or of the identifying mark for the Iowa seal, or a deliberately misleading or unwarranted use of the term or identifying mark is a serious misdemeanor.

Approved May 5, 1987