

I am unable to approve the item designated as Section 41, in its entirety. This provision would repeal the extension of the sunset on workers' compensation insurance rate regulation to July 1, 1994, as provided in Senate File 2354. By disapproving this provision, the regulations will sunset July 1, 1994.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2345 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, Governor

**CHAPTER 1239**

**APPROPRIATIONS — AGRICULTURE AND NATURAL RESOURCES**

*S.F. 2347*

**AN ACT** relating to budgetary and administrative matters by providing for appropriations and revenue, and providing for statutory changes, including matters involving agriculture and natural resources, and providing effective dates.

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

**DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP**

Section 1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

**1. ADMINISTRATIVE DIVISION**

a. For salaries, support, maintenance, the support of the state 4-H foundation, support of the statistics bureau, and miscellaneous purposes:

..... \$ 1,000,544

Of the funds appropriated in this paragraph "a", \$35,000 shall be allocated to the state 4-H foundation to foster the development of Iowa's youth and to encourage them to study the subject of agriculture.

Of the funds appropriated in this paragraph "a", \$140,000 and 5.00 FTEs shall be allocated to the statistics bureau to provide county-by-county information on land in farms, production by crop, acres by crop, and county prices by crop. This information shall be made available to the department of revenue and finance for use in the productivity formula for valuing and equalizing agricultural land.

b. For the operations of the dairy trade practices bureau:

..... \$ 69,612

Of the funds appropriated in this paragraph "b", not more than \$46,945 shall be used to support the operations of the dairy trade practices bureau for the fiscal year beginning July 1, 1992, and ending June 30, 1993. Notwithstanding section 8.39, moneys appropriated under this paragraph shall not be transferred by the department to support a purpose other than the operations of the bureau. Notwithstanding section 8.33, unobligated or unencumbered moneys remaining on June 30, 1993, shall not revert, but shall be available for expenditure for the bureau for the next fiscal year and any of these moneys remaining on June 30, 1994, shall revert to the general fund of the state.

c. For the operations of the agricultural marketing bureau:

..... \$ 776,805

Of the funds appropriated in this paragraph "c", \$325,000 and 8.00 FTEs shall be used to support horticulture.

- d. For the purpose of performing commercial feed audits:  
 ..... \$ 56,157
- e. For the purpose of performing fertilizer audits:  
 ..... \$ 56,157
- f. Funds appropriated by this subsection are for the salaries and support of not more than the following full-time equivalent positions:  
 ..... FTEs 56.20
- 2. FARMERS' MARKET COUPON PROGRAM**  
 For salaries, support, maintenance, and miscellaneous purposes, to be used by the department to continue and expand the farmers' market coupon program by providing federal special supplemental food program recipients with coupons redeemable at farmers' markets, and for not more than the following full-time equivalent positions:  
 ..... \$ 190,822  
 ..... FTEs 1.00
- 3. REGULATORY DIVISION**  
 a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:  
 ..... \$ 3,587,025  
 ..... FTEs 135.00
- b. To cover the costs of inspection, sampling, analysis, and other expenses necessary for the administration of chapters 192, 194, and 195:  
 ..... \$ 648,571
- 4. LABORATORY DIVISION**  
 a. For salaries, support, maintenance, and miscellaneous purposes, including the administration of the gypsy moth program:  
 ..... \$ 670,538
- Of the amount appropriated under this paragraph "a", \$50,000 shall be used to administer a program relating to the detection, surveillance, and eradication of the gypsy moth. The department shall allocate and use the appropriation made under this paragraph before moneys other than those appropriated under this paragraph are used to support the program.
- b. For the operations of the commercial feed programs:  
 ..... \$ 705,436
- c. For the operations of the pesticide programs:  
 ..... \$ 1,189,105
- d. For the operations of the fertilizer programs:  
 ..... \$ 622,674
- e. Funds appropriated by this subsection are for the salaries and support of not more than the following full-time equivalent positions:  
 ..... FTEs 79.25
- 5. SOIL CONSERVATION DIVISION**  
 a. For salaries, support, maintenance, assistance to soil conservation districts, miscellaneous purposes, and for not more than the following full-time equivalent positions:  
 ..... \$ 4,973,030  
 ..... FTEs 173.52
- Of the funds appropriated in this paragraph "a", \$330,000 shall be used to reimburse commissioners of soil and water conservation districts for administrative expenses. Moneys used for the payment of meeting dues by counties shall be matched on a dollar-for-dollar basis by the soil conservation division.
- b. To provide financial incentives for soil conservation practices under chapter 467A:  
 ..... \$ 5,947,480
- c. The following requirements apply to the moneys appropriated by paragraph "b":  
 (1) Not more than 5 percent of the moneys appropriated in paragraph "b" may be allocated for cost sharing to abate complaints filed under section 467A.47.

(2) Of the moneys appropriated in paragraph "b", 5 percent shall be allocated for financial incentives to establish practices to protect watersheds above publicly owned lakes of the state from soil erosion and sediment. The financial incentives shall be awarded to watersheds which are of the highest importance based on soil loss as established by the natural resource commission pursuant to section 107.33A. The financial incentives shall not exceed seventy-five percent of the estimated cost of establishing the practices as determined by the commissioners or seventy-five percent of the actual cost of establishing the practices, whichever is less.

(3) The commissioners of a soil and water conservation district may allocate financial incentives to encourage summer construction of permanent soil and water conservation practices. The practices shall be constructed on or after June 1 but not later than August 15. The commissioners may also provide for the payment of moneys on a prorated basis to compensate persons for the production loss on an area disturbed by construction, according to rules which shall be adopted by the division. The commissioners shall not allocate cost-share moneys to support summer construction during a fiscal year in which applications for cost-share moneys required to establish permanent soil and water conservation practices, other than established by summer construction, equal the total amount available to support the nonsummer construction practices. The financial incentives shall not exceed sixty percent of the estimated cost of establishing the practice as determined by the commissioners, or sixty percent of the actual cost of establishing the practice, whichever is less.

(4) The commissioners of a soil and water conservation district may allocate financial incentives under a special agreement with owners of land in the district who shall adopt a watershed conservation plan as provided by rules which shall be adopted by the division. The watershed conservation plan shall be in conjunction with the owners' respective farm unit soil conservation plans. The funding agreement must provide for the funding of a project which includes five or more contiguous farm units which have at least five hundred acres of agricultural land and which constitutes at least seventy-five percent of the agricultural land located within a watershed or subwatershed. The financial incentives shall not exceed sixty percent of the estimated cost of the project as determined by the commissioners or sixty percent of the actual cost, whichever is less.

(5) Except as otherwise provided in subparagraphs (1) through (4), the moneys appropriated in paragraph "b" shall not be used alone or in combination with other public funds to provide a financial incentive payment greater than fifty percent of the approved cost for a voluntary permanent soil conservation practice. Priority for funding shall be given to family-operated farms.

(6) Not more than 30 percent of a district's allocation of moneys as financial incentives may be provided for the purpose of establishing management practices to control soil erosion on land that is row cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping. The division shall by rule establish limits on the amount of incentives which shall be authorized for payment to landowners upon establishment of the practice.

(7) The soil conservation committee may allocate moneys to conduct research and demonstration projects to promote conservation tillage and nonpoint sources pollution control practices.

(8) The financial incentive payments may be used in combination with department of natural resources funds.

d. The provisions of section 8.33 shall not apply to the funds appropriated under paragraph "b". Unencumbered or unobligated funds remaining on June 30, 1996, from funds appropriated under paragraph "b" for the fiscal year beginning July 1, 1992, shall revert to the general fund on August 31, 1996.

*\*Sec. 2. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purposes designated:*

To fund lamb and wool management education projects approved by the department at community colleges selected as project sites as provided in section 99E.32, subsection 3, paragraph "m":

..... \$ 192,426\*

Sec. 3. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For support of the pseudorabies eradication program:

..... \$ 795,560

Sec. 4. There is appropriated from the funds available under section 99D.13 to the regulatory division of the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For salaries, support, maintenance, and miscellaneous purposes for the administration of section 99D.22:

..... \$ 174,342

INTERSTATE COMPACT ON AGRICULTURAL GRAIN MARKETING

Sec. 5. There is appropriated from the general fund of the state to the interstate agricultural grain marketing commission for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For carrying out duties of the commission as provided in Article IV of the interstate compact on agricultural grain marketing as provided in chapter 183:

..... \$ 61,606

DEPARTMENT OF NATURAL RESOURCES

Sec. 6. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE AND SUPPORT SERVICES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 2,058,055

..... FTEs 135.00

2. PARKS AND PRESERVES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 5,176,266

..... FTEs 210.57

3. FORESTS AND FORESTRY DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,390,537

..... FTEs 55.71

4. ENERGY AND GEOLOGICAL RESOURCES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,455,711

..... FTEs 55.02

\*Item veto; see message at end of the Act

**5. ENVIRONMENTAL PROTECTION DIVISION**

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,101,771
.....	FTEs	174.00

**6. FISH AND WILDLIFE DIVISION**

For not more than the following full-time equivalent positions:

.....	FTEs	338.78
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**7. WASTE MANAGEMENT ASSISTANCE DIVISION**

For not more than the following full-time equivalent positions:

.....	FTEs	18.75
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*\*8. For the green thumb program for the employment of the elderly in conservation and outdoor recreation related fields in coordination with other agencies as provided by law, and for not more than the following full-time equivalent positions:*

.....	\$	129,279
.....	FTEs	10.00*

Sec. 7. There is appropriated from the state fish and game protection fund to the division of fish and wildlife of the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for administrative support, and for salaries, support, maintenance, equipment, and miscellaneous purposes:

.....	\$	18,386,561
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The department shall not expend more moneys from the fish and game protection fund than provided in this section, unless the expenditure derives from contributions made by a private entity, or a grant or moneys received from the federal government, and is approved by the natural resource commission. The department of natural resources shall promptly notify the legislative fiscal bureau of the commission's approval, and the chairpersons and ranking members of the agriculture and natural resources appropriations subcommittee.

Sec. 8. There is appropriated from the marine fuel tax receipts deposited in the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For purposes of funding expenditures traditionally funded from marine fuel tax revenues, but not considered as capitals or operations:

.....	\$	198,890
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2. For purposes of maintaining and developing boating facilities and access to public waters by the parks and preserves division:

.....	\$	432,959
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*\*3. For deposit in the state fish and game protection fund for maintenance of boating access on lands managed by the fish and wildlife division:*

.....	\$	144,320*
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4. For purposes of funding capitals traditionally funded from marine fuel tax receipts for the purposes specified in section 324.79:

.....	\$	1,540,000
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Notwithstanding section 8.33, the unencumbered or unobligated moneys remaining on June 30, 1993, from moneys appropriated for purposes of funding capitals traditionally funded from marine fuel tax receipts as provided in this subsection 4 for the fiscal year beginning July 1, 1992, shall revert on September 30, 1994.

Sec. 9. There is transferred on July 1, 1992, from the fees deposited under section 321G.7 to the fish and game protection fund and appropriated to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

\*Item veto; see message at end of the Act

For the purpose of enforcing snowmobile laws as part of the state snowmobile program administered by the department of natural resources:

..... \$ 100,000

Sec. 10. There is transferred on July 1, 1992, from the fees deposited under section 106.52 to the fish and game protection fund and appropriated to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of administration and enforcement of navigation laws and water safety:  
..... \$ 950,000

MISCELLANEOUS

\*Sec. 11. PREDATOR DAMAGE CONTROL. From moneys appropriated for the fiscal year beginning July 1, 1992, and ending June 30, 1993, to the agricultural experiment station at Iowa state university of science and technology there is transferred to the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount to be used for purposes of supporting a predator damage management program:

..... \$ 50,000

The program shall provide for controlling predators, including coyotes which interfere with agricultural production including livestock production. A primary purpose of the program shall be to reduce damages or injury to property involved in farming as defined in section 172C.1. The program shall emphasize the prevention of damage through management techniques which preserve the life and habitat of predators. An animal or an animal's habitat shall not be destroyed only because the animal belongs to a particular species. The department shall cooperate with the department of natural resources. The program shall be conducted in accordance with federal and state law, notwithstanding laws relating to open seasons.\*

Sec. 12. REAP.

1. Notwithstanding the amount of the standing appropriation from the general fund of the state under section 455A.18, subsection 3, there is appropriated from the general fund of the state, in lieu of the appropriation made in section 455A.18, for the fiscal year beginning July 1, 1992, to the Iowa resources enhancement and protection fund the sum of \$9,944,500, of which all moneys shall be allocated as provided in subsection 2 and section 455A.19.

\*2. Of the amount appropriated under subsection 1, there is allocated the following amounts to be used for the purposes designated:

a. To the department of natural resources to support the purposes specified pursuant to section 455D.15, subsection 3, paragraph "g":  
..... \$ 500,000

b. To the soil conservation division of the department of agriculture and land stewardship to provide state soil and water conservation cost-sharing moneys pursuant to chapter 467A:  
..... \$ 400,000\*

\*Sec. 13. STREAM STABILIZATION. There is appropriated from the general fund of the state to the division of soil conservation of the department of agriculture and land stewardship for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of participating with local entities including local governments, and with entities receiving federal funding, in developing and installing projects that stabilize degrading stream channels in areas of the state determined by the division to require assistance:

..... \$ 99,445\*

\*Sec. 14. LAKE PROJECT. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1992, and ending June 30, 1993, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

\*Item veto; see message at end of the Act

*For the purpose of supporting lake preservation efforts at Black Hawk Lake:*

..... \$ 397,780

*The moneys appropriated under this section shall be allocated by the department to continue lake preservation, including dredging operations, at Black Hawk Lake, located at Lake View, Iowa. Remaining moneys previously designated for Black Hawk Lake under the federal clean lakes program shall be allocated on a matching basis with moneys appropriated under this section for purposes of preserving Black Hawk Lake. The allocation of moneys shall be contingent upon land used as a spoil site for the lake being provided without financial obligation to the state and the active participation of a local entity in preparing the spoil site.*

*This section shall become effective upon enactment.\**

Sec. 15. The department of agriculture and land stewardship and the department of natural resources, in cooperation as necessary with the department of management and the department of personnel, shall provide a list to the legislative fiscal bureau, on a quarterly basis, of all permanent positions added to or deleted from the departments' table of organization in the previous fiscal quarter. This list shall include at least the position number, salary range, projected funding source or sources of each position, and the reason for the addition or deletion. The legislative fiscal bureau may use this information to assist in the establishment of the full-time equivalent position limits contained in the this Act for the departments.

Sec. 16. The department of revenue and finance in cooperation with the department of agriculture and land stewardship and the department of natural resources shall track receipts to the general fund which have traditionally been deposited into the following funds:

1. The fertilizer fund created in section 200.9.
2. The pesticide fund created in section 206.12.
3. The dairy trade practices trust fund pursuant to section 192A.30.
4. The milk fund created in section 192.111.
5. The commercial feed fund created in section 198.9.
6. The marine fuel tax fund created in section 324.79.
7. The energy research and development fund provided in section 93.11.

The departments designated in this section shall prepare reports detailing revenue from receipts traditionally deposited into each of the funds. A report shall be submitted to the legislative fiscal bureau at least once for each three-month period as designated by the legislative fiscal bureau.

Sec. 17. The department of natural resources shall provide the legislative fiscal bureau information and financial data by cost center, on at least a monthly basis, relating to the indirect cost accounting procedure, the amount of funding from each funding source for each cost center, and the internal budget system used by the department. The information shall include but is not limited to financial data covering the department's budget by cost center and funding source prior to the start of the fiscal year, and to the department's actual expenditures by cost center and funding source after the accounting system has been closed for that fiscal year.

Sec. 18. Notwithstanding section 17A.2, subsection 7, paragraph "g", the department of natural resources shall by rule establish prices of plant material grown at the state forest nurseries to cover all expenses related to the growing of the plants.

The department shall develop programs to encourage the wise management and preservation of existing woodlands and shall continue its efforts to encourage forestation and reforestation on private and public lands in the state.

The department shall encourage a cooperative relationship between the state forest nurseries and private nurseries in the state in order to achieve these goals.

Sec. 19. During the fiscal year for which funds are appropriated by sections 6 and 7 of this Act, the department of natural resources shall not require the installation or use of equipment to control the emission of dust or other particulate matter on or by facilities for storage of grain which are located within the ambient air quality attainment areas for suspended particulates.

\*Item veto; see message at end of the Act

Sec. 20. ZERO-BASE BUDGET PROPOSAL. The parks and preserves division of the department of natural resources shall submit a zero-base budget proposal for the fiscal year beginning July 1, 1993, and ending June 30, 1994, to the joint appropriations subcommittee on agriculture and natural resources by January 15, 1993.

Sec. 21. CODE EDITOR. The Code editor shall change the name of the waste management authority within the department of natural resources to the waste management assistance division wherever it appears in the Code.

Sec. 22. 1992 Iowa Acts, Senate File 2367,\* section 201, unnumbered paragraph 2, is amended by striking the paragraph.

This section, being deemed of immediate importance, takes effect upon enactment.

Sec. 23. Section 93.11, subsection 1, paragraph f, unnumbered paragraph 2, Code Supplement 1991, is amended to read as follows:

Notwithstanding the provisions of this section directing that moneys be deposited into the energy research and development fund, for the fiscal period beginning July 1, 1991, and ending June 30, 1993, all moneys shall be deposited into the general fund of the state. There is appropriated annually from the general fund of the state the sum of one hundred fifty thousand dollars to be used for the purposes of this section.

*\*\*Sec. 24. NEW SECTION. 111.17A PAYMENT IN LIEU OF PROPERTY TAXES. The director of the department of natural resources shall submit a budget request to pay the annual property taxes on property held by the department. The budget request shall be submitted to the general assembly as part of the annual budget proposal provided in section 455A.4. The amount of the payment shall be based on property acquired on or after July 1, 1992, which would otherwise be subject to the levy of property taxes. The assessed value of property held by the department shall be that determined under section 427.1, subsection 31, and the director may protest the assessed value in the manner provided by law for any property owner to protest an assessment. For the purposes of chapter 257, the assessed value of any property which was acquired by the department on or after July 1, 1992, shall be included in the valuation base of the school district and the payments made pursuant to this section shall be considered as property tax revenues and not as miscellaneous income. The county treasurer shall certify the amount of taxes due to the department. The taxes shall be paid annually from the departmental fund or account from which the property acquisition was funded. If the departmental fund or account has no moneys, no longer exists, or if the acquisition of property was made without an expenditure of funds by the department, the taxes shall be paid from funds in the manner provided by the general assembly. If the total amount of taxes due, as certified to the department, exceeds the amount available for expenditure under this section, the property taxes due shall be reduced proportionately so that the total amount due equals the amount available for expenditure.\*\**

Sec. 25. NEW SECTION. 159.6A CONTRIBUTIONS.

The department may accept contributions, including gifts and grants, in order to carry out and administer the provisions of this chapter. The department shall maintain an itemized accounting of the contributions. At the end of each fiscal year, the department shall prepare a list recognizing private contributors.

Sec. 26. Section 159.20, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

~~An agricultural marketing division is created within the department. The division department shall perform duties designed to lead to more advantageous marketing of Iowa agricultural commodities. The division department may do any of the following:~~

Sec. 27. Section 159.20, subsections 5 and 9, Code Supplement 1991, are amended to read as follows:

\*Chapter 1236 herein

\*\*Item veto; see message at end of the Act

5. Accumulate and diffuse information concerning the marketing of agricultural commodities in cooperation with persons, agencies, or the federal government. The ~~division department~~ shall establish an agricultural commodity informational data base.

9. Cooperate with the Iowa department of economic development to avoid duplication of efforts between the ~~division department~~ and the agricultural marketing program operated by the Iowa department of economic development.

Sec. 28. Section 159.20, unnumbered paragraph 2, Code Supplement 1991, is amended by striking the paragraph.

Sec. 29. Section 159.22, Code Supplement 1991, is amended to read as follows:  
159.22 GRANTS AND GIFTS OF FUNDS.

The ~~division may with the approval of the secretary may~~ accept grants and allotments of funds from the federal government and enter into co-operative agreements with the United States department of agriculture for projects to effectuate a purpose described in this subchapter. ~~The division may accept grants, gifts or allotments of funds from any person for the purpose of carrying out the provisions of this subchapter. If funds are accepted from a person, the director shall prepare an itemized accounting to the department at the end of each fiscal year.~~

Sec. 30. Section 159.23, Code 1991, is amended to read as follows:  
159.23 SPECIAL FUND.

All fees collected as a result of the inspection and grading provisions set out herein shall be paid into the state treasury, there to be set aside in a separate fund which is hereby appropriated for the use of the ~~division department~~ except as indicated. Withdrawals therefrom shall be by warrant of the director of revenue and finance upon requisition by the ~~administrator of the division approved by the secretary of agriculture~~. Such fund shall be continued from year to year, provided, however, that if there be any balance remaining at the end of the biennium which, in the opinion of the governor, director of management and secretary of agriculture, is greater than necessary for the proper administration of the inspection and grading program referred to herein, the treasurer of state is hereby authorized on the recommendation and with the approval of the governor, director of management and secretary of agriculture, to transfer to the general fund of the state that portion of such account as they shall deem advisable.

Sec. 31. Section 159.24, Code 1991, is amended to read as follows:  
159.24 GRADES OR CLASSIFICATIONS OF FARM PRODUCTS.

A certificate of the grade, or other classification, of any farm products issued under ~~this division of this chapter~~ shall be accepted in any court of this state as prima facie evidence of the true grade or classification of such farm products as the same existed at the time of their classification.

Sec. 32. Section 159.37, subsection 1, Code 1991, is amended to read as follows:

1. The department shall establish ~~within the international trade bureau of the marketing division~~ a special quality grains electronic bulletin board system. The system shall be available to any and all buyers and sellers of special quality grains for the purpose of posting the availability of special quality grains, or a demand for special quality grains.

Sec. 33. Section 159A.3, subsection 1, unnumbered paragraph 1, Code Supplement 1991, is amended to read as follows:

An office of renewable fuel is created within ~~the agricultural marketing division~~ of the department and shall be staffed by a coordinator who shall be appointed by the ~~division administrator secretary~~. It shall be the policy of the office to further renewable fuel activities. The office shall first further renewable fuel activities based on the following considerations:

Sec. 34. Section 199.3, subsection 4, Code 1991, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. The last date on which the variety of seed will normally germinate according to standards established by rules adopted by the department.

Sec. 35. Section 199.11, Code 1991, is amended to read as follows:

199.11 AUTHORITY OF SECRETARY OF AGRICULTURE THE DEPARTMENT.

1. For the purpose of carrying out the provisions of this chapter, the ~~state secretary of agriculture who may act through authorized agents is hereby authorized and directed~~ department shall do all of the following:

a. ~~To sample Sample, inspect, make analysis of analyze, and test agricultural seeds seed other than lawn seed, if the agricultural seed is transported, sold, offered, or exposed for sale within this state for sowing purposes. The department shall perform these duties at such a time and place and to such an extent as the secretary may deem necessary to determine whether said the agricultural seeds are seed is in compliance with the provisions of this chapter, and to notify. The department shall promptly notify the person who transported, sold, offered, or exposed the seed for sale, of any a violation.~~

b. ~~To prescribe and, after public hearing following due public notice, to adopt Adopt rules and regulations governing the methods of sampling, inspecting, analysis, tests analyzing, testing, and examination of examining agricultural seed, and the other than lawn seed. The rules shall include tolerances to be followed in the administration of this chapter, which shall be in general accord with officially prescribed practice in interstate commerce under the federal seed Act and such other rules and or regulations as may be necessary to secure for the efficient enforcement of this chapter.~~

2. ~~Further, for For~~ the purpose of carrying out the provisions of this chapter, the ~~state secretary of agriculture, individually or through authorized agents, is authorized and directed~~ department may:

a. ~~To enter Enter upon any public or private premises during regular business hours in order to have access to seeds commercial seed other than lawn seed, subject to this chapter and the departmental rules and regulations thereunder.~~

b. ~~To issue Issue and enforce a written or printed "stop sale" order to the owner or custodian of any lot of agricultural seed other than lawn seed which the state secretary of agriculture or the secretary's authorized agents believe department believes is in violation of any of the provisions of this chapter which or departmental rules. The order shall prohibit further sale of such the seed until such officer the department has evidence that the law has been complied with; provided, that of compliance. However, the owner or custodian of such the seed shall be permitted to remove said the seed from a salesroom open to the public; provided further, that in respect to seeds which have been denied sale as provided in this subsection, judicial. Judicial review of the order may be sought in accordance with the terms of the Iowa administrative procedure Act chapter 17A. Notwithstanding the terms of said Act However, notwithstanding chapter 17A, petitions for judicial review may be filed in the district court; and provided further, that the provisions of this. This subsection shall does not be construed as limiting limit the right of the enforcement officer department to proceed as authorized by other sections of this chapter.~~

c. ~~To establish Establish and maintain or make provision for seed testing facilities essential to the enforcement of this chapter, to. The department may employ qualified persons, and to incur such expenses as may be necessary to comply with these provisions.~~

d. ~~To co-operate Cooperate with the United States department of agriculture in seed law enforcement.~~

Sec. 36. Section 214.3, subsection 1, Code 1991, is amended to read as follows:

1. The license for inspection of a commercial weighing and measuring device shall expire on December 31 of each year, and for a motor vehicle fuel pump on June 30 of each year. The amount of the fee due for each license shall be as provided in subsection 3, except that the fee for a motor vehicle fuel pump shall be ~~three~~ four dollars and fifty cents if paid within one month from the date the license is due.

Sec. 37. Section 214.3, subsection 3, paragraphs a through e, Code 1991, are amended to read as follows:

a. Class S-III.L.

- (1) Railroad track scales, ~~seventy-one~~ one hundred six dollars and fifty cents.
- (2) Other scales.
  - (a) 500 to 1,000 pounds capacity, ~~eleven sixteen~~ dollars and fifty cents.
  - (b) 1,001 to 30,000 pounds capacity, ~~twenty-one~~ thirty-one dollars and fifty cents.
  - (c) 30,001 to 50,000 pounds capacity, ~~forty-one~~ sixty-one dollars and fifty cents.
  - (d) 50,001 pounds capacity or more, ~~fifty-six~~ eighty-four dollars.
- (3) A minimum fee of ~~thirty-one~~ forty-six dollars and fifty cents shall be charged for each vehicle or livestock scale.

b. Class S-II and S-III, ~~six~~ nine dollars.

- (1) Bench scale, ~~six~~ nine dollars.
- (2) Counter scale, ~~six~~ nine dollars.
- (3) Portable platform scale, ~~six~~ nine dollars.
- (4) Livestock monorail scale, ~~six~~ nine dollars.
- (5) Single animal scale, ~~six~~ nine dollars.
- (6) Grain test scale, ~~six~~ nine dollars.
- (7) Precious metal and gems scale, ~~six~~ nine dollars.
- (8) Postal scale, ~~six~~ nine dollars.

c. (1) Grain moisture meters, ~~sixteen~~ twenty-four dollars.

(2) Additional meters at the same location, ~~eleven sixteen~~ dollars and fifty cents.

d. Class M-I. One hundred-gallon prover.

- (1) Bulk meters, ~~six~~ nine dollars.
- (2) Bulk liquid petroleum gas meters, ~~thirty-five~~ fifty-two dollars and fifty cents.
- (3) Bulk refined fuel meters, ~~six~~ nine dollars.
- (4) Mass flow meters, ~~six~~ nine dollars.

e. Class M-II. Five-gallon prover.

- (1) Slow flow meters, ~~six~~ nine dollars.
- (2) Retail motor vehicle fuel pump, ~~six~~ nine dollars.

Sec. 38. Section 215.2, subsections 1 and 2, Code 1991, are amended to read as follows:

- 1. Class S, scales, ~~fifty~~ seventy-five dollars per hour.
- 2. Class M, meters, ~~thirty-five~~ fifty-two dollars and fifty cents per hour.

Sec. 39. Section 215.17, Code 1991, is amended to read as follows:

215.17 TEST WEIGHTS TO BE USED.

Any A person, ~~firm or corporation~~ engaged in scale repair work for hire shall use only test weights sealed by the department in determining the effectiveness of repair work and ~~said~~ the test weights shall be sealed as to their accuracy once each year. ~~Provided, however, that it shall be unlawful for such~~ However, a person ~~to~~ shall not claim to be an official scale inspector ~~or to~~ and shall not use ~~said~~ the test weights except to determine the accuracy of scale repair work done by the person and the person shall ~~not~~ be entitled to ~~no~~ a fee for their use. A fee shall be charged and collected at time of inspection for the inspection of such weights as follows:

All weights up to and including 25 pounds	.....	\$	<del>.75</del> <u>1.10</u> each
All weights			
Over twenty-five pounds capacity,			
up to and including 50 pounds	.....		<del>1.50</del> <u>2.25</u> each
Over 50 pounds capacity, up to and			
including 100 pounds	.....		<del>2.00</del> <u>3.00</u> each
Over 100 pounds capacity, up to			
and including 500 pounds	.....		<del>3.00</del> <u>4.50</u> each

Over 500 pounds capacity, up to and including 1,000 pounds .....	5.00	7.50	each
The fee for all tank calibrations shall be as follows:			
100 gallons up to and including 300 gallons .....	\$	3.00	4.50
301 gallons up to and including 500 gallons .....		5.00	7.50
501 gallons up to and including 1,000 gallons .....		7.50	11.25
1,001 gallons up to and including 2,000 gallons .....		10.00	15.00
2,001 gallons up to and including 3,000 gallons .....		12.00	18.00
3,001 gallons up to and including 4,000 gallons .....		14.00	21.00
4,001 gallons up to and including 5,000 gallons .....		16.00	24.00
5,001 gallons up to and including 6,000 gallons .....		18.00	27.00
6,001 gallons up to and including 7,000 gallons .....		20.00	30.00
7,001 gallons and up .....		25.00	37.50

No calibration will Calibration shall not be required of any a tank which is not used for the purpose of measuring, or which is equipped with a meter, ~~nor shall~~ and vehicle tanks loaded from meters and carrying a printed ticket showing gallonage shall not be required to be calibrated.

Sec. 40. Section 215A.9, unnumbered paragraph 2, Code 1991, is amended to read as follows:

A fee of ~~ten~~ fifteen dollars shall be charged for each device subject to reinspection under section 215A.5. All moneys received by the department under the provisions of this chapter shall be handled in the same manner as "repayment receipts" as defined in chapter 8, and shall be used for the administration and enforcement of the provisions of this chapter.

Sec. 41. Section 423.24, subsection 1, paragraph b, as enacted by 1992 Iowa Acts, House File 2456,\* section 6, is amended to read as follows:

b. Beginning on July 1, 1993, three and one-half percent of the ~~remaining~~ revenue, not to exceed one million dollars per quarter, derived from the use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected pursuant to section 423.7, shall be deposited in the ethanol production incentive account of the renewable fuel fund created in section 159A.7. Moneys deposited according to this paragraph are a continuing appropriation for expenditure under section 159A.8. Moneys deposited during a state fiscal year to the ethanol production incentive account which remain unobligated and unencumbered on July 31 of the following state fiscal year shall be credited to the road use tax fund as provided in this section.

Sec. 42. Section 455A.5, subsection 6, Code Supplement 1991, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. Approve or disapprove proposals involving the dredging or renovation of lakes; the acquisition, development, and maintenance of boating facilities; and the acquisition, development, and maintenance of recreational facilities associated with recreational boating.

Sec. 43. Section 455A.6, subsection 6, paragraph d, Code Supplement 1991, is amended to read as follows:

d. Approve the budget request prepared by the director for the programs authorized by chapters 455B, 455C, 455E, and 455F. The commission shall approve the budget request

\*Chapter 1099 herein

prepared by the director for programs administered by the energy and geological resources division, the ~~coordination and information division~~, the administrative services division, and the office of the director, as provided in section 455A.7. The commission may increase, decrease, or strike any item within the department budget request for the specified programs before granting approval.

Sec. 44. Section 455A.7, subsection 1, paragraph f, Code Supplement 1991, is amended by striking the paragraph.

Sec. 45. Section 455A.7, subsection 1, paragraph j, Code Supplement 1991, is amended to read as follows:

j. Office of the director which has responsibilities for administering the department, including information dissemination, education, and government liaison services.

Sec. 46. Section 455B.103A, Code Supplement 1991, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The enforcement provisions of division III, part of this chapter, apply to general permits for stormwater discharge.

Sec. 47. Section 455B.310, subsection 2, paragraph b, subparagraph (5), Code Supplement 1991, is amended to read as follows:

(5) Five cents per ton per year is appropriated to the department of economic development to establish, in cooperation with the department of natural resources, a marketing initiative to assist Iowa businesses producing recycling or reclamation equipment or services, recyclable products, or products from recycled materials to expand into national markets. Efforts shall include the reuse and recycling of sawdust. ~~For the each fiscal year beginning July 1, 1991, and ending June 30, 1992, and beginning July 1, 1992, and ending June 30, 1993, fifty thousand dollars of the moneys appropriated under this subparagraph shall be allocated for the purposes of developing advanced microbiological technologies for reduction, destruction, or disposal of wet solid waste. For the each fiscal year beginning July 1, 1992 1993, and thereafter, fifty thousand dollars of the moneys appropriated under this subparagraph shall be used by the department of economic development to provide grants or loans to Iowa businesses which have participated in the waste reduction assistance program of the department of natural resources or the program provided by the waste reduction center at the university of northern Iowa, and which have identified needs for equipment or retooling to achieve waste reduction.~~

Sec. 48. NEW SECTION. 455B.601 PESTICIDE AND FERTILIZER CONTAMINATED AGRICULTURAL CHEMICAL DEALER SITES — PRIORITIZATION OF CLEANUP.

1. The commission shall adopt rules to establish criteria for the classification and prioritization of sites upon which contamination has been discovered.

a. For purposes of this section:

(1) "Action level" means action level as defined in 567 IAC 133.2, adopted as of a specific date by rule of the department.

(2) "Contamination" means the presence of one or more pesticides, as defined in section 206.2, or the presence of fertilizer, as defined in section 200.3, in soil or groundwater at levels above those that would result at normal field application rates or above background levels.

(3) "Contaminated site" means a site upon which contamination has been discovered.

(4) "Responsible person" means responsible person as defined in 567 IAC 133.2, adopted as of a specific date by rule of the department.

b. A contaminated site shall be classified as either high, medium, or low priority.

(1) A site shall be considered high priority under any of the following conditions:

(a) Groundwater contamination exceeds action levels and is affecting or likely to affect groundwater used as a drinking water source.

(b) Contamination is affecting or likely to affect surface water bodies to a level which exceeds surface water quality standards under section 455B.173.

(c) Contamination is discovered in an ecologically sensitive area. An ecologically sensitive area is one which is designated by the department.

(2) A site shall be considered medium priority if contamination of groundwater exceeds action levels, but does not meet the criteria for classification as a high priority site.

(3) A site shall be considered low priority under any of the following conditions:

(a) If soil contamination exists at the site, but no groundwater contamination exists at the site.

(b) If soil contamination exists and groundwater contamination has been discovered, but is below action levels.

(4) A site shall be reclassified as a site with a higher or lower classification when the site falls within a higher or lower classification as established under this paragraph.

c. An initial site plan shall be developed by the responsible person and approved by the department for each site upon which contamination has been discovered. The site plan shall include all of the following:

(1) A determination as to the extent of the existing soil, groundwater, or surface water contamination.

(2) The proximity of the contamination and the likelihood that the contamination will affect a drinking water well.

(3) The characteristics of the site and the potential for migration of the contamination.

(4) A recommendation as to whether the site should be classified as a high, medium, or low priority site.

(5) If a site is classified as a high or medium priority site, further investigation shall be conducted to determine the extent of the remediation which should be conducted on the site.

d. The corrective action response requirements for high, medium, or low priority sites shall be administered in accordance with the following:

(1) Soils and groundwaters on a high priority site shall be actively remediated, where technically feasible, until such time as the groundwater contamination levels are below action levels.

(2) Remediation on a medium priority site shall include either monitoring or active or passive remediation and shall be determined by the department on a site-by-site basis based upon the findings of the site plan. Remediation on a medium priority site shall include at least that which would be required on a low priority site.

(3) (a) Active soil remediation shall be required on a low priority site if remediation would be more practical and cost-effective than monitoring.

(b) If active soil remediation on a low priority site is undertaken, no further action shall be required on the site.

(c) If active soil remediation is not undertaken on a low priority site, a site shall be monitored, for a specified period of time as determined by the department.

2. This section is applicable to all sites upon which contamination has been discovered, unless corrective action on a site has already been approved and implemented.

3. Application of contaminated groundwaters and soils on land upon which the contaminants have been applied in accordance with department rules shall not exceed a level which would preclude the resumption of normal farming practices within a two-year period.

4. This section does not affect the ability of the department or the United States environmental protection agency to require monitoring or remediation on sites that are placed on the national priorities list pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act.

Sec. 49. Section 467A.7, subsections 17 and 19, Code 1991, are amended by striking the subsections.

Sec. 50. Section 467A.43, unnumbered paragraph 2, as enacted in 1992 Iowa Acts, House File 2343,\* section 4, is amended to read as follows:

A landowner shall not be liable for a claim based upon or arising out of a claim of negligent design or specification, negligent adoption of design or specification, or negligent installation, construction, or reconstruction of a soil and water ~~construction~~ conservation practice or an

\*Chapter 1184 herein

erosion control practice that was installed, constructed, or reconstructed in accordance with generally recognized engineering or safety standards, criteria, or design theory in existence at the time of the installation, construction, or reconstruction. A soil and water conservation practice or an erosion control practice installed, constructed, or reconstructed in compliance with rules adopted by the division and currently in effect shall be deemed to be installed, constructed, or reconstructed according to generally recognized engineering or safety standards, criteria, or design theory in existence at the time of the installation, construction, or reconstruction. A claim shall not be allowed for failure to upgrade, improve, or alter any aspect of an existing soil and water conservation practice or erosion control practice to a new, changed, or altered design standard. This section does not apply to a claim based on a failure of a landowner to upgrade, improve, or alter a soil and water conservation practice or erosion control practice in violation of law. This section does not apply to claims based upon gross negligence.

Sec. 51. Section 467A.73, subsection 1, paragraph b, as enacted by 1992 Iowa Acts, House File 2343,\* section 8, is amended to read as follows:

b. The allocation of moneys as financial incentives provided for the purpose of establishing management practices to control soil erosion on land that is row cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping. The division shall by rule establish limits on the amount of incentives which shall be authorized for payment to landowners upon establishment of the practice.

Sec. 52. Section 467A.73, subsection 2, paragraph a, as enacted in House File 2343\* by the Seventy-fourth General Assembly, is amended to read as follows:

a. The allocation of cost-share moneys as financial incentives under a special agreement with owners of land in the district who promise to adopt a watershed conservation plan as provided by rules which shall be adopted by the division. The watershed conservation plan shall be in conjunction with the district soil and water resource conservation plan provided under section 467A.7 the owners' respective farm unit soil conservation plans. The funding agreement must provide for the funding of a project which shall include includes five or more contiguous farm units which have at least five hundred acres of agricultural land and which constitutes at least seventy-five percent of the agricultural land located within a watershed or sub-watershed. The financial incentives shall not exceed sixty percent of the estimated cost of the project as determined by the commissioners or sixty percent of the actual cost, whichever is less.

Sec. 53. Section 467A.74, subsection 1, paragraph a, as enacted in House File 2343\* by the Seventy-fourth General Assembly, is amended to read as follows:

a. The financial incentives shall not exceed more than fifty percent of the estimated cost of establishing the practices as determined by the commissioners, or fifty percent of the actual cost of establishing the practices, whichever is less. However, the commissioners may allocate an amount determined by the ~~division~~ committee for management of soil and water conservation practices, except as otherwise provided regarding land classified as agricultural land under conservation cover.

Sec. 54. Section 467A.74, subsection 2, as enacted in House File 2343\* by the Seventy-fourth General Assembly, is amended to read as follows:

2. The committee shall review requirements of this section once each year. The ~~division~~ committee may authorize commissioners in districts to condition the establishment of a mandatory soil and water conservation practice in a specific case on a higher proportion of public cost-sharing than is required by this section. The commissioners shall determine the amount of cost-sharing moneys allocated to establish a specific soil and water conservation practice in accordance with an administrative order issued pursuant to section 467A.47 by considering the extent to which the practice will contribute benefits to the individual owner or occupant of the land on which the practice is to be established.

\*Chapter 1184 herein

Sec. 55. Section 542.1, Code 1991, is amended by adding the following new subsection:

**NEW SUBSECTION. 10.** "Good cause" means that the department has cause to believe that the net worth or current asset to current liability ratio of a grain dealer presents a danger to sellers with whom the grain dealer does business, based on evidence of any of the following:

a. The making of a payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution refuses payment on the instrument because of insufficient funds in a grain dealer's account.

b. A violation of recordkeeping requirements provided in this chapter or rules adopted pursuant to this chapter by the department.

c. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on a statistical model provided in section 542.22.

Sec. 56. Section 542.3, subsection 4, paragraph b, Code 1991, is amended to read as follows:

b. The grain dealer shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a grain dealer submit more than one such unqualified opinion per year. The grain dealer, ~~except as provided in section 542.15, may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or evidence of violations of recordkeeping requirements. If a grain dealer making the election engages in credit sale contracts, the grain dealer shall also comply with the provisions of section 542.15, subsection 8.~~

Sec. 57. Section 542.3, subsection 5, paragraph b, Code 1991, is amended to read as follows:

b. The grain dealer shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a grain dealer submit more than one such unqualified opinion per year. The grain dealer may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or evidence of violations of recordkeeping requirements. If a grain dealer making the election engages in credit sale contracts, the grain dealer shall also comply with the provisions of section 542.15, subsection 8.

Sec. 58. Section 542.5, unnumbered paragraph 1, Code 1991, is amended to read as follows:

Upon the filing of the application and compliance with the terms and conditions of this chapter and rules of the department, the department shall issue a license to the applicant. The license shall terminate ~~on~~ at the thirtieth of June of each year end of the third calendar month following the close of the grain dealer's fiscal year. A grain dealer's license may be renewed annually by the filing of a renewal fee and a renewal application on a form prescribed by the department. An application for renewal shall be received by the department on or before the thirtieth of June end of the third calendar month following the close of the grain dealer's fiscal year. A grain dealer license which has terminated may be reinstated by the department upon receipt of a proper renewal application, the renewal fee, and the reinstatement fee as provided in section 542.6 if filed within thirty days from the date of termination of the grain dealer license. The department may cancel a license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter. Fees for licenses issued for less than a full year shall be prorated from the date of the application.

Sec. 59. Section 542.6, subsection 1, Code 1991, is amended to read as follows:

1. For the issuance or renewal of a license for a grain dealer required under section 542.3, and for any inspection of a grain dealer, the fee shall be determined on the basis of dollar volume of all bushels of grain purchased during the grain dealer's previous calendar fiscal year as follows according to the grain dealer's financial statement required in section 542.3. The fee shall be calculated according to the following schedule:

a. If the total number of bushels purchased is one hundred thirty-five thousand dollars or less, the license fee is forty sixty-six dollars and the inspection fee is fifty eighty-three dollars.

b. If the total number of bushels purchased is more than one hundred thirty-five thousand dollars, but not more than seven two hundred fifty thousand dollars, the license fee is seventy one hundred sixteen dollars and the inspection fee is seventy-five one hundred twenty-five dollars.

c. If the total number of bushels purchased is more than seven two hundred fifty thousand dollars, but not more than one million five hundred thousand dollars, the license fee is one hundred sixty-six dollars and the inspection fee is one hundred fifteen ninety-one dollars.

d. If the total number of bushels purchased is more than one million five hundred thousand dollars, but not more than three one million dollars, the license fee is one two hundred seventy-five ninety-one dollars and the inspection fee is one two hundred fifty forty-nine dollars.

e. If the total number of bushels purchased is more than three one million dollars, but not more than four one million seven eight hundred fifty thousand dollars, the license fee is three four hundred ninety-eight dollars and the inspection fee is one three hundred eighty-five seven dollars.

f. If the total number of bushels purchased is more than four one million seven eight hundred fifty thousand dollars, but not more than nine three million five two hundred thousand dollars, the license fee is four seven hundred twenty-five six dollars and the inspection fee is two three hundred twenty-five seventy-four dollars.

g. If the total number of bushels purchased is more than nine three million five two hundred thousand dollars, the license fee is five nine hundred seventy-five fifty-five dollars and the inspection fee is two four hundred sixty-five forty dollars.

If the applicant did not purchase grain in the applicant's previous calendar fiscal year, the applicant will shall pay the fee specified in paragraph "a". If during the license period licensee's fiscal year the total number of bushels of grain actually purchased exceeds one hundred thirty-five thousand dollars, the licensee shall notify the department and the license and inspection fee shall be adjusted accordingly. Subsequent adjustments shall be made as necessary. An applicant may elect licensing in any category of this subsection. New Fees for new licenses issued for less than a full year shall be prorated from the date of application.

Sec. 60. Section 542.9, unnumbered paragraph 1, Code 1991, is amended to read as follows:

The department may inspect the premises used by any grain dealer in the conduct of the dealer's business at any time, and the books, accounts, records, and papers of every grain dealer which pertain to grain purchases are subject to inspection by the department during ordinary business hours. The department shall cause the business premises and books, accounts, records, and papers of every grain dealer to be inspected ~~not less than at least once during each twelve-month eighteen-month period, but not more than four times in a twenty-four month period~~ without ~~good cause justification~~. The department shall prioritize inspections based on the system provided in section 542.22. The department may use a risk rating produced by a statistical model provided in section 542.22 as justification to conduct an inspection. The transporter of grain in transit shall possess bills of lading or other documents covering the grain, and shall present them to any law enforcement officer or to a person designated as an enforcement officer under section 542.13 on demand. If there is ~~good cause justification~~ to believe that a person is engaged without a license in the business of a grain dealer in this state, the department may inspect the books, papers, and records of the person which pertain to grain purchases.

Sec. 61. Section 542.11, subsection 4, Code 1991, is amended to read as follows:

4. A person in violation of this chapter, or a in violation of chapter 714 or 715A involving, which violation involves the business of a grain dealer, is subject to prosecution by the county attorney in the county where the business is located. However, if the county attorney fails to initiate prosecution within thirty days and upon request by the department, the attorney general may initiate and carry out the prosecution in cooperation, if possible, with the county attorney. The person in violation may be restrained by an injunction in an action brought by the department or the attorney general upon request by the department.

Sec. 62. NEW SECTION. 542.12A LIEN ON GRAIN DEALER ASSETS.

1. A statutory lien is imposed on all grain dealer assets in favor of sellers who have surrendered warehouse receipts or other written evidence of ownership as part of a grain sale transaction or who possess written evidence of the sale of grain to a grain dealer, without receiving full payment for the grain.

2. "Grain dealer assets" includes proceeds received or due a grain dealer upon the sale, including exchange, collection, or other disposition, of grain sold by the grain dealer. As used in this section, "proceeds" means noncash and cash proceeds as provided in section 554.9306. "Grain dealer assets" also includes any other funds or property of the grain dealer which can be directly traced as being from the sale of grain by the grain dealer, or which were utilized in the business operation of the grain dealer. A court, upon petition by an affected party, may order that claimed grain dealer assets are not grain dealer assets as defined in this section. The burden of proof shall be upon the petitioner to establish that the assets are not grain dealer assets as defined in this section.

3. The lien shall arise at the time of surrender of warehouse receipts or other written evidence of ownership as part of a grain sale transaction or the time of delivery of the grain for sale, and shall terminate when the liability of the grain dealer to the seller has been discharged. The lien of all sellers is hereby assigned to the Iowa grain indemnity fund board, on behalf of the grain depositors and sellers indemnity fund.

4. To perfect the lien, the Iowa grain indemnity fund board must file a lien statement with the office of the secretary of state. The lien statement is valid only if filed on or after the date of suspension but not later than sixty days after the incurrence date as provided in section 543A.6. The lien statement shall disclose the name of the grain dealer, the address of the dealer's principal place of business, a description of identifiable grain dealer assets, and the amount of the lien. The lien amount shall be the board's estimate of the final cost of reimbursing the grain depositors and sellers indemnity fund for the payment of claims against the fund resulting from the breach of the grain dealer's obligations. The board shall correct the amount not later than one hundred eighty days following the incurrence date. A court, upon petition by an affected person, may correct the amount. The board shall have the burden of proving that the amount is an accurate estimate.

5. The Iowa grain indemnity fund board shall upon written demand of the grain dealer file a termination statement with the secretary of state, if the license of the grain dealer is not revoked, terminated, or canceled after one hundred eighty days from the date that the lien is perfected. Upon filing the termination statement, the lien becomes unperfected. The board shall also deliver a copy of the termination statement to the grain dealer.

6. The secretary of state shall note the filing of a lien statement under this section in a manner provided by chapter 554, the uniform commercial code. The secretary shall note the filing of a termination statement with the lien statement.

7. A lien statement filed under this section shall be a security interest perfected under chapter 554 and subject to the same priority as provided under section 554.9312.

8. If the grain dealer is also licensed under chapter 543, and in the event the department is appointed as a receiver under section 543.3, assets under the authority of the receiver are free from this statutory lien. However, if there are receivership assets in excess of those necessary to fully reimburse depositors, the perfected lien will attach to those excess assets.

9. The board may enforce the lien in the manner provided in chapter 554, article 9, part 5, for the enforcement of security interests. If, upon enforcement of the lien, the lien amount is satisfied in full without exhaustion of the grain dealer assets, the remaining assets shall be returned to the grain dealer or, if there are competing claims to those remaining assets by other creditors, shall place those assets in the custody of the district court and implead the known creditors.

For purposes of enforcement of the lien, the board is deemed to be the secured party and the grain dealer is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 5. If a right or duty under chapter 554, article 9, part 5, is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this section.

10. Actions relating to this section shall be brought in the district court in the county in which the grain dealer's primary place of business is located or in Polk county.

Sec. 63. Section 542.15, subsection 7, Code 1991, is amended by striking the subsection and inserting in lieu thereof the following:

7. a. A grain dealer shall not purchase grain on credit-sale contract during any time period in which the grain dealer fails to maintain fifty cents of net worth for each outstanding bushel of grain purchased under credit. The grain dealer may maintain a deficiency bond or an irrevocable letter of credit in the amount of two thousand dollars for each one thousand dollars or fraction thereof of deficiency in net worth.

b. A grain dealer holding a federal or state warehouse license who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture shall not purchase grain on credit-sale contract to correct the shortage of grain.

c. A grain dealer must meet at least either of the following conditions:

(1) The grain dealer's last financial statement required to be submitted to the department pursuant to section 542.3 is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state.

(2) The grain dealer files a bond with the department in the amount of one hundred thousand dollars payable to the department. The bond shall be used to indemnify sellers for losses resulting from a breach of a credit-sale contract as provided by rules adopted by the department. The rules shall include, but are not limited to, procedures and criteria for providing notice, filing claims, valuing losses, and paying claims. The bond provided in this paragraph shall be in addition to any other bond required in this chapter.

A bond filed with the department under this paragraph shall not be canceled by the issuer on less than ninety days notice by certified mail to the department and the principal. When the department receives notice from an issuer that it has canceled the bond, the department

shall automatically suspend the grain dealer's license if a replacement bond is not received by the department within sixty days of the issuance of the notice of cancellation. The department shall cause an inspection of the licensed grain dealer immediately at the end of the sixty-day period. If a replacement bond is not filed within another thirty days following the suspension, the grain dealer license shall be automatically revoked. When a license is revoked, the department shall provide notice of the revocation by ordinary mail to the last known address of each holder of an outstanding credit-sale contract and all known sellers.

Sec. 64. Section 542.15, Code 1991, is amended by adding the following new subsection:

**NEW SUBSECTION. 7A.** The department may adopt rules to suspend the right of a grain dealer to purchase grain by credit-sale contract based on any of the following conditions:

a. The grain dealer holding a federal or state warehouse license does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department or the United States department of agriculture.

b. The grain dealer holding a state or federal warehouse license issues back to the grain dealer a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased on credit and is unpaid for by the grain dealer.

c. The grain dealer fails to maintain requirements relating to net worth or fails to maintain a ratio of current assets to current liabilities, as required in section 542.3.

d. The grain dealer violates this section.

e. The grain dealer's total liabilities are greater than seventy-five percent of the grain dealer's total assets.

f. The grain dealer has made payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution refuses payment on the instrument because of insufficient funds in a grain dealer's account.

g. The department discovers that a grain dealer has delayed payment for grain purchased since the department last inspected the grain dealer pursuant to section 542.9.

Sec. 65. **NEW SECTION. 542.22 PRIORITIZATION OF INSPECTIONS OF GRAIN DEALERS.**

The department shall develop a system to prioritize the inspections of grain dealers provided in section 542.9. The system of prioritization shall be computed each year based on the risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer. The department shall compute the risk by utilizing an available statistical model to measure the financial condition of grain dealers, and especially grain dealers who execute credit-sale contracts. Procedures for utilizing the statistical model shall be adopted by department rules. The statistical model shall be used to provide risk ratings. A risk rating shall be used as a factor by the department to prioritize its inspection schedule. The department may use a risk rating produced by the statistical model as justification to inspect the grain dealer at any time. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the grain dealer based on the statistical model shall be good cause.

Sec. 66. Section 543.1, Code 1991, is amended by adding the following new subsection:

**NEW SUBSECTION. 7A.** "Good cause" means that the department has cause to believe that the net worth or current asset to current liability ratio of a warehouse operator presents a danger to depositors with whom the warehouse operator does business, based on evidence of any of the following:

a. The making of a payment by use of a financial instrument which is a check, share draft, draft, or written order on a financial institution, and a financial institution refuses payment on the instrument because of insufficient funds in the warehouse operator's account.

b. A violation of recordkeeping requirements provided in this chapter or rules adopted pursuant to this chapter by the department.

c. A quality or quantity shortage in the warehouse facility.

d. A high risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on a statistical model provided in section 543.40.

Sec. 67. Section 543.2, unnumbered paragraph 1, Code 1991, is amended to read as follows:

The department may exercise general supervision over the storage, warehousing, classifying according to grade or otherwise, weighing, and certification of agricultural products. The department may inspect or cause to be inspected any warehouse. Inspections may be made at times and for purposes as the department determines. Except as provided in section 543.6, the department shall cause every licensed warehouse and its contents to be inspected once in every twelve-month period. The department shall prioritize inspections based on the system provided in section 543.40. The department may require the filing of reports relating to a warehouse or its operation. If upon inspection a deficiency is found to exist as to the quantity or quality of agricultural products stored, as indicated on the warehouse operator's books and records according to official grain standards, the department may require an employee of the department to remain at the licensed warehouse and supervise all operations involving agricultural products stored there under this chapter until the deficiency is corrected. The charge for the cost of maintaining an employee of the department at a warehouse to supervise the correction of a deficiency is one hundred fifty dollars per day.

*\*Sec. 68. Section 543.4, subsection 6, Code 1991, is amended to read as follows:*

*6. The department is entitled to reimbursement out of commodities or proceeds held in receivership for all expenses incurred as court costs or in handling and disposing of stored commodities, and for all other costs directly attributable to the receivership. The right of reimbursement of the department is prior to any claims against the commodities or proceeds of sales of commodities, and constitutes a claim against a deficiency bond or irrevocable letter of credit. Notwithstanding section 8.33, the reimbursement amount received by the department in a fiscal year shall not revert unless unobligated or unencumbered on June 30 of the following fiscal year.\**

Sec. 69. Section 543.6, subsection 4, paragraph b, Code 1991, is amended to read as follows:

b. The warehouse operator shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The department shall not require that a warehouse operator submit more than one such unqualified opinion per year. The warehouse operator may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or evidence of violations of recordkeeping requirements.

Sec. 70. Section 543.6, subsection 5, paragraph b, Code 1991, is amended to read as follows:

b. The warehouse operator shall submit, as required by the department, a financial statement that is accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. However, the department may accept a qualification in an opinion that is unavoidable by any audit procedure that is permitted under generally accepted accounting principles. An opinion that is qualified because of a limited audit procedure or because the scope of an audit is limited shall not be accepted by the department. The

\*Item veto; see message at end of the Act

department shall not require that a warehouse operator submit more than one such unqualified opinion per year. The warehouse operator may elect, however, to submit a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant in lieu of the audited financial statement specified in this paragraph. However, at any time the department may require a financial statement that is accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by a certified public accountant if the department has good cause to believe that the net worth or current asset to current liability ratio of a licensee presents a danger to producers or sellers with whom the licensee deals. "Good cause" means that the department has evidence that the licensee issued checks on insufficient funds, evidence of a quality or quantity shortage in a warehouse facility, or evidence of violations of recordkeeping requirements.

Sec. 71. NEW SECTION. 543.12A LIEN ON WAREHOUSE OPERATOR ASSETS.

1. A statutory lien is imposed on all warehouse operator assets in favor of depositors possessing warehouse receipts covering grain stored by the warehouse operator and depositors with written evidence of ownership other than warehouse receipts disclosing a storage obligation of a warehouse operator.

2. "Warehouse operator assets" includes proceeds received or due a warehouse operator upon the sale, including exchange, collection, or other disposition, of grain sold by the warehouse operator. As used in this section, "proceeds" means noncash and cash proceeds as provided in section 554.9306. "Warehouse operator assets" also includes storage payments received or due to a warehouse operator, grain owned by the warehouse operator, and any other funds or property of the warehouse operator which can be directly traced as being from the sale of grain by the warehouse operator, or which were utilized in the business operation of the warehouse operator. A court, upon petition by an affected party, may order that claimed warehouse operator assets are not warehouse operator assets as defined in this section. The burden of proof shall be upon the petitioner to establish that the assets are not warehouse operator assets as defined in this section.

3. The lien shall arise at the commencement of the storage obligation, and shall terminate when the liability of the warehouse operator to the depositor has been discharged. The lien of all depositors is hereby assigned to the Iowa grain indemnity fund board, on behalf of the grain depositors and sellers indemnity fund.

4. To perfect the lien, the Iowa grain indemnity fund board must file a lien statement with the office of the secretary of state. The lien statement is valid only if filed on or after the date of suspension but not later than sixty days after the incurrence date as provided in section 543A.6. The lien statement shall disclose the name of the warehouse operator, the address of the warehouse operator's principal place of business, a description of identifiable warehouse operator assets, and the amount of the lien. The lien amount shall be the board's estimate of the final cost of reimbursing the grain depositors and sellers indemnity fund for the payment of claims made against the fund resulting from the breach of the warehouse operator's obligations. The board shall correct the amount not later than one hundred eighty days following the incurrence date. A court, upon petition by an affected person, may correct the amount. The board shall have the burden of proving that the amount is an accurate estimate.

5. The Iowa grain indemnity fund board shall upon written demand of the warehouse operator file a termination statement with the secretary of state, if the license of the warehouse operator is not revoked, terminated, or canceled after one hundred eighty days from the date that the lien is perfected. Upon filing the termination statement, the lien becomes unperfected. The board shall also deliver a copy of the termination statement to the warehouse operator.

6. The secretary of state shall note the filing of a lien statement under this section in a manner provided by chapter 554, the uniform commercial code. The secretary shall note the filing of a termination statement with the lien statement.

7. A lien statement filed under this section shall be a security interest perfected under chapter 554 and subject to the same priority as provided under section 554.9312.

8. In the event the department is appointed as a receiver under section 543.3, assets under the authority of the receiver are free from this statutory lien. However, if there are receivership assets in excess of those necessary to fully reimburse depositors, the perfected lien will attach to those excess assets.

9. The Iowa grain indemnity fund board may enforce the lien in the manner provided in chapter 554, article 9, part 5, for the enforcement of security interests. If, upon enforcement of the lien, the lien amount is satisfied in full without exhaustion of the warehouse operator assets, the remaining assets shall be returned to the warehouse operator or, if there are competing claims to those remaining assets by other creditors, those assets shall be placed in the custody of the district court and the known creditors impleaded.

For purposes of enforcement of the lien, the board is deemed to be the secured party and the warehouse operator is deemed to be the debtor, and each has the respective rights and duties of a secured party and a debtor as provided in chapter 554, article 9, part 5. If a right or duty under chapter 554, article 9, part 5, is contingent upon the existence of express language in a security agreement, or may be waived by express language in a security agreement, the requisite language is deemed not to exist for purposes of enforcement of the lien created by this section.

10. Actions relating to this section shall be brought in the district court in the county in which the warehouse operator's primary place of business is located or in Polk county.

Sec. 72. Section 543.17, Code 1991, is amended by adding the following new subsection:

**NEW SUBSECTION. 6A.** A licensed warehouse operator who does not have a sufficient quantity or quality of grain to satisfy the warehouse operator's obligations based on an examination by the department shall not purchase grain on credit-sale contract to correct the shortage of grain. A licensed warehouse operator shall not issue a warehouse receipt for purposes of providing collateral, if the grain which is the subject of the warehouse receipt was purchased by credit-sale contract and is unpaid for by the warehouse operator.

Sec. 73. Section 543.17, subsection 7, Code 1991, is amended to read as follows:

7. Every licensed warehouse operator shall, on or before July 1 of each year, send a statement for each holder of a warehouse receipt covering grain held for more than one year at that warehouse to the holder's last known address. The statement shall show the amount of all grain held pursuant to warehouse receipt for such warehouse receipt holder and the amount of any storage charges held by the licensed warehouse operator against that grain. However, a licensed warehouse operator need not prepare this annual statement for a holder of a warehouse receipt, if the licensed warehouse operator prepares such statements monthly, quarterly or for any other period more frequent than annually. ~~Failure~~ The failure to prepare a statement required by this subsection is a simple misdemeanor.

**PARAGRAPH DIVIDED.** Violation of this section shall not constitute grounds for suspension, revocation, or modification of the license of anyone licensed under this chapter.

Sec. 74. Section 543.33, subsection 1, paragraphs a through g, Code 1991, are amended to read as follows:

a. If the total storage capacity is one hundred thousand bushels or less, the fee is ~~thirty-five~~ fifty-eight dollars.

b. If the total storage capacity is more than one hundred thousand bushels, but not more than seven hundred fifty thousand bushels, the fee is ~~seventy-five~~ one hundred twenty-five dollars.

c. If the total storage capacity is more than seven hundred fifty thousand bushels, but not more than one million five hundred thousand bushels, the fee is one hundred ~~fifteen~~ ninety-one dollars.

d. If the total storage capacity is more than one million five hundred thousand bushels, but not more than three million bushels, the fee is ~~one~~ two hundred fifty ~~forty-nine~~ dollars.

e. If the total storage capacity is more than three million bushels, but not more than four million seven hundred fifty thousand bushels, the fee is ~~one~~ three hundred eighty-five ~~seven~~ dollars.

f. If the total storage capacity is more than four million seven hundred fifty thousand bushels, but not more than nine million five hundred thousand bushels, the fee is ~~two~~ three hundred twenty-five ~~seventy-four~~ dollars.

g. If the total storage capacity is more than nine million five hundred thousand bushels, the fee is ~~two~~ four hundred sixty-five ~~forty~~ dollars.

Sec. 75. Section 543.36, subsection 4, Code 1991, is amended to read as follows:

4. A person in violation of this chapter, or a in violation of chapter 714 or 715A involving, which violation involves the business of a warehouse operator, is subject to prosecution by the county attorney in the county where the business is located. However, if the county attorney fails to initiate prosecution within thirty days, and upon request by the department, the attorney general may initiate and carry out the prosecution in cooperation, if possible, with the county attorney. The person in violation may be restrained by injunction in an action brought by the department or the attorney general upon request by the department.

Sec. 76. Section 543.37, Code 1991, is amended to read as follows:

543.37 FAILURE TO PAY FEE.

Failure to pay the annual license fee provided for in section 543.33 on or before June 30 of the year for which due the end of the third calendar month following the close of the licensee's fiscal year shall cause a license to terminate. A warehouse license which has terminated may be reinstated by the department upon receipt of a proper renewal application, the renewal fee, and the reinstatement fee as provided for in section 543.33, if filed within thirty days from the date of termination of the warehouse license. The department may cancel the license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter.

Sec. 77. NEW SECTION. 543.40 PRIORITIZATION OF INSPECTIONS OF WAREHOUSE OPERATORS.

The department shall develop a system to prioritize the inspections of warehouse operators provided in section 543.2. The system of prioritization shall be computed each year based on the risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator. The department shall compute the risk by utilizing an available statistical model to measure the financial condition of warehouse operators. Procedures for utilizing the statistical model shall be adopted by department rules. The statistical model shall be used to provide risk ratings. A risk rating shall be used as a factor by the department to prioritize its inspection schedule. The department may inspect a warehouse operator at any time based on a risk of loss to the fund according to the risk rating. A substantial risk of loss to the grain depositors and sellers indemnity fund caused by the possible insolvency of the warehouse operator based on the statistical model shall be good cause.

Sec. 78. NEW SECTION. 543A.5A LIEN ON LICENSEE'S ASSETS.

The board may enforce a lien attached to assets held by a licensee under chapter 542 or 543. The lien shall be perfected and enforced pursuant to section 542.12A or 543.12A.

Sec. 79. Section 554.9407, subsection 3, Code 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Upon written request, the filing officer shall issue a certificate showing whether there is on file on the date and hour stated, an effective financing statement, lien statement, or termination statement under chapter 542 or 543 naming a grain dealer or warehouse operator as a debtor, the address of the grain dealer's or warehouse operator's principal place of business, and the grain indemnity fund board as secured creditor, identifiable grain proceeds subject to the lien, and the amount of the lien. The uniform fee for a certificate is five dollars if the request for the certificate is on a form conforming to standards prescribed by the secretary of state, or the fee is six dollars if the request is not on a form conforming to the standards.

Sec. 80. Section 715A.2, subsection 2, paragraph a, Code 1991, is amended to read as follows:

a. Forgery is a class "D" felony if the writing is or purports to be part of an issue of money, securities, postage or revenue stamps, or other instruments issued by the government, or part of an issue of stock, bonds, credit-sale contracts as defined in section 542.1, or other instruments representing interests in or claims against any property or enterprise, or a check, draft, or other writing which ostensibly evidences an obligation of the person who has purportedly executed it or authorized its execution.

Sec. 81. TRANSITION PERIOD. There shall be a transition period for implementing and enforcing provisions of this Act relating to any license period as provided in sections 542.5 and 543.37 as amended by this Act. Within the transition period, the department of agriculture and land stewardship may issue or renew licenses under chapter 542 or 543 for a period less than twelve consecutive months. The department shall prorate the fees charged for issuing or renewing the licenses for a period of less than twelve consecutive months. The transition period shall terminate on June 30, 1993.

Sec. 82. DATES OF APPLICABILITY. The liens established in sections 542.12A and 543.12A are applicable and enforceable against all grain dealer and warehouse operator licenses with an incurrence date on or after July 1, 1992.

Sec. 83. 1991 Iowa Acts, chapter 268, sections 212 and 213, are repealed.

This section, being deemed of immediate importance, takes effect upon enactment.

Sec. 84. REPEAL. Section 542.21, Code 1991, is repealed.

Sec. 85. This Act takes effect on July 1, 1992, except as otherwise provided in specific sections of this Act.

*Approved June 3, 1992, except the items which I hereby disapprove and which are designated as Section 2 in its entirety; Section 6, subsection 8 in its entirety; Section 8, subsection 3 in its entirety; Section 11 in its entirety; Section 12, subsection 2 in its entirety; Section 13 in its entirety; Section 14 in its entirety; Section 24 in its entirety; and Section 68 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.*

TERRY E. BRANSTAD, Governor

Dear Madam Secretary:

I hereby transmit Senate File 2347, an Act relating to budgetary and administrative matters by providing for appropriations and revenue, and providing for statutory changes, including matters involving agriculture and natural resources, and providing effective dates.

Senate File 2347 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 2, in its entirety. This section appropriates \$192,426 for a lamb and wool education program which is administered through the community colleges. This program was designed to be a temporary pilot project and other funds should be sought to provide ongoing support for the program.

I am unable to approve the item designated as Section 6, subsection 8, in its entirety. This section appropriates \$129,279 to the Green Thumb Program. It is not possible to continue the program given existing budget limitations. Other employment opportunities may be available through the seasonal employment programs in state agencies.

I am unable to approve the item designated as Section 8, subsection 3, in its entirety. This section appropriates \$144,320 to the Fish and Game Trust Fund. Because the Fish and Game Trust Fund, which is not part of the general fund, has a sufficient operating balance, this transfer is not necessary.

I am unable to approve the item designated as Section 11, in its entirety. This section mandates that \$50,000 appropriated to the Agriculture Experiment Station be transferred to the Department of Agriculture and Land Stewardship to administer a new program to control predator damage to livestock. By disapproving this item, the Board of Regents will revert \$50,000 to the general fund of the state at the end of fiscal year 1993.

I am unable to approve the item designated as Section 12, subsection 2, in its entirety. This section appropriates \$500,000 for waste reduction and recycling programs and \$400,000 for soil and water conservation practices. Alternative sources of funding already exist for these programs. By disapproving this item, the Department of Natural Resources will revert \$900,000 to the general fund of the state at the end of fiscal year 1993.

I am unable to approve the item designated as Section 13, in its entirety. This section appropriates \$99,445 for a new program to stabilize eroded stream banks. Because this new program has implications for ongoing funding, I am unable to approve this item.

I am unable to approve the item designated as Section 14, in its entirety. This section appropriates \$397,780 for the continued dredging of Black Hawk Lake. Section 42 of this bill requires that the Natural Resource Commission approve all dredging projects. Because this section is not consistent with Section 42 and because resources are available from the marine fuel tax fund to continue the dredging of Black Hawk Lake, I am unable to approve this item.

I am unable to approve the item designated as Section 24, in its entirety. This section mandates that the Department of Natural Resources request an appropriation to pay all taxes on land purchased after July 1, 1992. Because most land purchases are now paid for through the REAP program or the Wildlife Habitat Stamp, both of which include payment for applicable taxes, I cannot approve this item.

I am unable to approve the item designated as Section 68, in its entirety. This section would allow the Grain Warehouse Bureau to carry forward for one year any reimbursement received for administration of a receivership from the federal government. This type of receipt is a repayment receipt as defined in Section 8.2 of the Code and must be expended in the year it is received or be reverted to the general fund.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2347 are hereby approved as of this date.

Sincerely,  
TERRY E. BRANSTAD, *Governor*