

February 15, 1963.
Agriculture 1. *Pass 4/1*

House File 274
By WALTER, HALLING, JOHNSON
and PATTON.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act to amend chapter one hundred ninety-seven (197), Code 1962, relating to the egg and poultry industry.

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

1 Section 1. Section one hundred ninety-seven point one
2 (197.1), Code 1962, is hereby repealed and the following
3 enacted in lieu thereof:

4 1. Every person, partnership, or corporation engaged in
5 the business of buying for the market, poultry or domestic
6 fowls from the producer thereof, shall obtain a license from
7 the department for each establishment at which said business
8 is conducted.

9 The word "producer" as herein used shall include anyone
10 not a licensed dealer who has acquired such poultry or
11 domestic fowls other than through a licensed dealer.

12 In addition thereto the department shall also require,
13 before the issuance of any such license, the posting of a
14 surety bond in the sum of two thousand (2,000) dollars, one
15 condition of which shall be to guarantee payment to the producer
16 or producers. Such bond shall also contain a ninety (90) day
17 cancellation provision. This bond may be executed by any
18 surety company licensed to do business in this state.

19 In lieu of the surety bond herein set forth the department
20 may accept a cash bond or certified fund.

21 2. The department shall have access to and authority to
22 audit the records of such establishments in order to determine
23 the amount of surety bond to be filed with the department.

24 All such establishments shall maintain records of all purchases
25 made under the provisions of this chapter for a period of at
26 least twelve (12) months.

27 3. Upon any action taken on the surety bond of any
28 licensee, the department may require the filing of a new
29 bond, and upon failure to file same within a period of ten
30 days thereafter, the department shall suspend or revoke the
31 license.

32 If in any such action on the bond the amount of indebtedness
33 to a producer or producers shall be less than the amount of
34 the posted bond, or cash bond, or certified fund, as the case
35 may be, then such creditors shall receive payment of such
36 indebtedness in full; and if such indebtedness is greater than
37 the amount of such bond, or cash bond, or certified fund, as
38 the case may be, then such creditors shall receive payment
39 of a prorated share on an equal basis.

EXPLANATION OF HOUSE FILE 274

It is recognized that the producer of farm products is subject to hazards and losses in his dealings with certain persons who seek to obtain and do obtain from such producer his products for resale upon a speculative basis; and to safeguard such producer against such hazards and losses, this measure is proposed for the purpose of providing necessary regulations.