

Leig, Chair  
Klemme  
Kuhn

HSB 221

Agriculture

Success  
SF 628

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
AGRICULTURE BILL BY  
CHAIRPERSON KLEMME)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the regulation of grain dealers by providing  
2 an exception for limited liability companies that produce  
3 renewable fuel.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 203.1, subsection 8, paragraph j, Code  
2 2001, is amended to read as follows:

3 j. A cooperative corporation organized under chapter 501,  
4 if the cooperative buys only purchases grain from its members  
5 who are producers who-are-members or from a licensed grain  
6 dealer, and the cooperative does not resell that grain.

7 Sec. 2. Section 203.1, subsection 8, Code 2001, is amended  
8 by adding the following new paragraph:

9 NEW PARAGRAPH. k. A limited liability company as defined  
10 in section 490A.102 that meets all of the following  
11 requirements:

12 (1) The majority of voting rights in the limited liability  
13 company are held by its members who are producers.

14 (2) The purpose of the limited liability company is to  
15 produce renewable fuel as defined in section 159A.2.

16 (3) The limited liability company only purchases grain  
17 from its members who are producers or from a licensed grain  
18 dealer.

19 (4) The limited liability company does not resell grain  
20 that it purchases.

21 EXPLANATION

22 This bill amends Code chapter 203, which provides for the  
23 regulation of grain dealers by the department of agriculture  
24 and land stewardship. The bill amends Code section 203.1,  
25 which defines "grain dealer", including by providing  
26 exceptions. This bill includes a new exception. The bill  
27 provides that a grain dealer does not include a limited  
28 liability company if it meets certain requirements: (1) a  
29 majority of voting rights in the limited liability company  
30 must be held by producers; (2) the purpose of the limited  
31 liability company is to produce renewable fuel; (3) the  
32 limited liability company only purchases grain from its member  
33 producers; and (4) the limited liability company does not  
34 resell grain that it purchases.

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S-3/21/01 Agriculture  
S-3/28/01 No Pass

MAR 16 2001  
Place On Calendar

HOUSE FILE 628  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 221)

Passed House, Date (P. 810) 3-21-01 Passed Senate, Date (P. 1029) 4-9-01  
Vote: Ayes 98 Nays 0 Vote: Ayes 29 Nays 15  
Approved April 16, 2001

**A BILL FOR**

1 An Act relating to the regulation of grain dealers by providing  
2 an exception for limited liability companies that produce  
3 renewable fuel.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 628

1 Section 1. Section 203.1, subsection 8, paragraph j, Code  
2 2001, is amended to read as follows:

3 j. A cooperative ~~corporation~~ organized under chapter 501,  
4 if the cooperative ~~buys~~ only purchases grain from its members  
5 who are producers ~~who are members~~ or from a licensed grain  
6 dealer, and the cooperative does not resell that grain.

7 Sec. 2. Section 203.1, subsection 8, Code 2001, is amended  
8 by adding the following new paragraph:

9 NEW PARAGRAPH. k. A limited liability company as defined  
10 in section 490A.102 that meets all of the following  
11 requirements:

12 (1) The majority of voting rights in the limited liability  
13 company are held by its members who are producers.

14 (2) The purpose of the limited liability company is to  
15 produce renewable fuel as defined in section 159A.2.

16 (3) The limited liability company only purchases grain  
17 from its members who are producers or from a licensed grain  
18 dealer.

19 (4) The limited liability company does not resell grain  
20 that it purchases.

21 EXPLANATION

22 This bill amends Code chapter 203, which provides for the  
23 regulation of grain dealers by the department of agriculture  
24 and land stewardship. The bill amends Code section 203.1,  
25 which defines "grain dealer", including by providing  
26 exceptions. This bill includes a new exception. The bill  
27 provides that a grain dealer does not include a limited  
28 liability company if it meets certain requirements: (1) a  
29 majority of voting rights in the limited liability company  
30 must be held by producers; (2) the purpose of the limited  
31 liability company is to produce renewable fuel; (3) the  
32 limited liability company only purchases grain from its member  
33 producers; and (4) the limited liability company does not  
34 resell grain that it purchases.

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(4) The limited liability company does not resell grain that it purchases.

HOUSE FILE 628

AN ACT  
RELATING TO THE REGULATION OF GRAIN DEALERS BY  
PROVIDING AN EXCEPTION FOR LIMITED LIABILITY COMPANIES  
THAT PRODUCE RENEWABLE FUEL.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 203.1, subsection 8, paragraph j, Code 2001, is amended to read as follows:

j. A cooperative corporation organized under chapter 501, if the cooperative buys only purchases grain from its members who are producers ~~who are members~~ or from a licensed grain dealer, and the cooperative does not resell that grain.

Sec. 2. Section 203.1, subsection 8, Code 2001, is amended by adding the following new paragraph:

NEW PARAGRAPH. k. A limited liability company as defined in section 490A.102 that meets all of the following requirements:

- (1) The majority of voting rights in the limited liability company are held by its members who are producers.
- (2) The purpose of the limited liability company is to produce renewable fuel as defined in section 159A.2.
- (3) The limited liability company only purchases grain from its members who are producers or from a licensed grain dealer.

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BRENT SIEGRIST  
Speaker of the House

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MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 628, Seventy-ninth General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved  2001

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THOMAS J. VILSACK  
Governor