

MAR 4 2005
ECONOMIC GROWTH

HOUSE FILE 597
BY ZIRKELBACH, FOEGE, KUHN,
THOMAS, and WENDT

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

A BILL FOR

1 An Act relating to economic development assistance to facilities
2 involved in aquaculture.

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

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

HIF 597

1 Section 1. Section 15E.111, subsection 1, unnumbered
2 paragraph 1, Code 2005, is amended to read as follows:

3 The department shall establish a value-added agricultural
4 products and processes financial assistance program. The
5 department shall consult with the Iowa corn growers
6 association and the Iowa soybean association as appropriate.
7 The purpose of the program is to encourage the increased
8 utilization of agricultural commodities produced in this
9 state. The program shall assist in efforts to revitalize
10 rural regions of this state, by committing resources to
11 provide financial assistance to new or existing value-added
12 production facilities. In awarding financial assistance, the
13 department shall commit resources to assist the following:

14 Sec. 2. Section 15E.111, subsection 1, Code 2005, is
15 amended by adding the following new paragraph:

16 NEW PARAGRAPH. c. Production facilities involved in
17 aquaculture, as defined in section 481A.1, if all of the
18 following apply to a specific production facility:

19 (1) The production facility is a business which is
20 associated with a cooperative association as defined in
21 section 10B.1 or a limited liability company as defined in
22 section 490A.102, and the cooperative association or limited
23 liability company is engaged in the processing and marketing
24 of agricultural commodities or agricultural products.

25 (2) The production facility is located in an indoor,
26 controlled environment which is capable of operating during
27 all months of the year.

28 (3) The production facility complies with production
29 standards which are established by the cooperative association
30 or the limited liability company.

31 Sec. 3. Section 15E.111, subsection 3, Code 2005, is
32 amended to read as follows:

33 3. a. The Except as provided in paragraph "b", the
34 department ~~of-economic-development~~ shall grant financial
35 assistance to a person determined by the department to be

1 eligible to receive assistance under this section, upon review
2 and evaluation of the person's application by the agricultural
3 products advisory council as established in section 15.203.
4 The department shall consider the council's evaluation in
5 granting or denying assistance. ~~The department shall not~~
6 ~~approve an application for assistance under this section to~~
7 ~~refinance an existing loan.~~ Except as provided in
8 paragraph "b", the department shall not directly award
9 financial assistance to support an activity directly related
10 to farming as defined in section 9H.1, including the
11 establishment or operation of a livestock production
12 operation, regardless of whether the activity is related to a
13 renewable fuel production facility.

14 b. This subsection shall not apply to a production
15 facility involved in aquaculture.

16 Sec. 4. Section 15E.111, Code 2005, is amended by adding
17 the following new subsection:

18 NEW SUBSECTION. 3A. The department shall not approve an
19 application for assistance under this section to refinance an
20 existing loan.

21 **EXPLANATION**

22 This bill amends provisions in Code section 15E.111
23 establishing a value-added agricultural products and processes
24 financial assistance program within the department of economic
25 development. The purpose of the program is to encourage the
26 increased utilization of agricultural commodities produced in
27 this state. The program is supported by a value-added
28 agricultural products and processes financial assistance fund.
29 The program targets facilities which are involved in the
30 development of new innovative products and processes related
31 to agriculture and renewable fuel production facilities.

32 The bill provides that program funding may also be used to
33 assist a facility involved in aquaculture if the facility is a
34 business which is associated with a cooperative association or
35 limited liability company engaged in the processing and

1 marketing of agricultural commodities or agricultural
2 products. The facility must be located in an indoor,
3 controlled environment which is capable of operating during
4 all months of the year. Finally, the production facility must
5 comply with production standards which are established by the
6 cooperative association or the limited liability company.

7 The bill amends provisions in the Code section which
8 require participation by the agricultural products advisory
9 council and which prohibits financial assistance to be awarded
10 to farming operations. The bill provides that those
11 provisions do not apply to a production facility involved in
12 aquaculture.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35