

FILED FEB 23 2005

SENATE FILE 205
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SSB 1105)

Passed Senate, Date 3-3-05 Passed House, Date 3-29-05
Vote: Ayes 48 Nays 0 Vote: Ayes 82 Nays 18
Approved April 6, 2005

A BILL FOR

1 An Act providing for life science enterprises authorized to hold
2 agricultural land, making penalties applicable, and providing
3 an effective date.

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

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5F 205

1 Section 1. Section 10B.4, subsection 2, paragraph g, Code
2 2005, is amended to read as follows:

3 g. If the reporting entity is a life science enterprise,
4 as provided in chapter 10C, as that chapter exists on or
5 before June 30, ~~2004~~ 2005, the total amount of commercial sale
6 of life science products and products other than life science
7 products which are produced from the agricultural land held by
8 the life science enterprise.

9 Sec. 2. Section 10C.6, subsection 1, paragraph a, Code
10 2005, is amended to read as follows:

11 a. A life science enterprise may acquire or hold
12 agricultural land, notwithstanding section 10C.5 ~~as that~~
13 ~~section exists in the 2005 Code~~, if all of the following
14 apply:

15 (1) The life science enterprise acquires the agricultural
16 land on or before June 30, 2008.

17 (2) The enterprise acquires or holds the agricultural land
18 pursuant to chapter 10C ~~as that chapter exists in the 2005~~
19 ~~Code~~.

20 (3) The economic development board has approved a life
21 science enterprise plan filed on or before June 30, ~~2004~~ 2005,
22 with the board. The enterprise must acquire or hold the
23 agricultural land pursuant to the plan which may be amended at
24 any time and approved by the board pursuant to section 15.104.

25 Sec. 3. Section 10C.6, subsection 2, unnumbered paragraph
26 1, Code 2005, is amended to read as follows:

27 A person who is a successor in interest to a life science
28 enterprise may acquire or hold agricultural land,
29 notwithstanding section 10C.5 ~~as that section exists in the~~
30 ~~2003 Code or 2003 Code Supplement~~, if all of the following
31 apply:

32 Sec. 4. Section 10C.6, subsection 2, paragraph a, Code
33 2005, is amended to read as follows:

34 a. The person meets the qualifications of a life science
35 enterprise and acquires or holds the agricultural land as

1 provided in chapter 10C ~~as that chapter exists in the 2003~~
2 ~~Code or 2003 Code Supplement.~~

3 Sec. 5. Section 15.104, subsection 4, unnumbered paragraph
4 1, Code 2005, is amended to read as follows:

5 Review and approve or disapprove a life science enterprise
6 plan or amendments to that plan as provided in chapter 10C as
7 that chapter exists on or before June 30, ~~2004~~ 2005, and
8 according to rules adopted by the board. A life science plan
9 shall make a reasonable effort to provide for participation by
10 persons who are individuals or family farm entities actively
11 engaged in farming as defined in section 10.1. The persons
12 may participate in the life science enterprise by holding an
13 equity position in the life science enterprise or providing
14 goods or service to the enterprise under contract. The plan
15 must be filed with the board not later than June 30, ~~2004~~
16 2005. The life science enterprise may file an amendment to a
17 plan at any time. A life science enterprise is not eligible
18 to file a plan, unless the life science enterprise files a
19 notice with the board. The notice shall be a simple statement
20 indicating that the life science enterprise may file a plan as
21 provided in this section. The notice must be filed with the
22 board not later than June ~~30, 2004~~ 1, 2005. The notice, plan,
23 or amendments shall be submitted by a life science enterprise
24 as provided by the board. The board shall consult with the
25 department of agriculture and land stewardship during its
26 review of a life science plan or amendments to that plan. The
27 plan shall include information regarding the life science
28 enterprise as required by rules adopted by the board,
29 including but not limited to all of the following:

30 Sec. 6. CODE EDITOR DIRECTIVE. The Code editor shall,
31 upon the repeal of sections 10C.1 through 10C.4, pursuant to
32 section 10C.5, insert in section 10C.6 references to the Code
33 or Code Supplement in which the most recent amendments to Code
34 chapter 10C or portions thereof, as applicable, were
35 incorporated.

1 provisions authorizing an enterprise to acquire agricultural
2 land are repealed on July 1, 2008.

3 The bill extends the period during which a corporation or
4 limited liability company can qualify to hold agricultural
5 land as an enterprise by providing that it has until June 1,
6 2005, to file the notice with the economic development board
7 and June 30, 2005, to file a plan with the board.

8 Code section 9H.4 provides that an entity violating its
9 provisions is subject to a civil penalty of not more than
10 \$25,000 and must divest itself of any land held in violation
11 of the Code chapter. The Code chapter provides that a court
12 may grant an injunction in order to restrain violations of the
13 chapter's provisions. Code section 9I.11 provides that if an
14 entity violates its land acquisition provisions, the land
15 escheats to the state. An entity that fails to report as
16 required under Code chapter 10B is subject to a civil penalty
17 of \$1,000.

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Johnson Co-chair
Black Co-chair
Bronkhorst
Rielly

SSB# 1105

Succeeded By
(SF) HF 205

Agriculture

SENATE FILE _____

BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CO-CHAIRPERSON JOHNSON)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

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2 agricultural land, making penalties applicable, and providing
3 an effective date.

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1 Section 1. Section 10B.4, subsection 2, paragraph g, Code
2 2005, is amended to read as follows:

3 g. If the reporting entity is a life science enterprise,
4 as provided in chapter 10C, as that chapter exists on or
5 before June 30, ~~2004~~ 2005, the total amount of commercial sale
6 of life science products and products other than life science
7 products which are produced from the agricultural land held by
8 the life science enterprise.

9 Sec. 2. Section 10C.6, subsection 1, paragraph a, Code
10 2005, is amended to read as follows:

11 a. A life science enterprise may acquire or hold
12 agricultural land, notwithstanding section 10C.5 ~~as-that~~
13 ~~section-exists-in-the-2005-Code~~, if all of the following
14 apply:

15 (1) The life science enterprise acquires the agricultural
16 land on or before June 30, 2008.

17 (2) The enterprise acquires or holds the agricultural land
18 pursuant to chapter 10C ~~as-that-chapter-exists-in-the-2005~~
19 ~~Code~~.

20 (3) The economic development board has approved a life
21 science enterprise plan filed on or before June 30, ~~2004~~ 2005,
22 with the board. The enterprise must acquire or hold the
23 agricultural land pursuant to the plan which may be amended at
24 any time and approved by the board pursuant to section 15.104.

25 Sec. 3. Section 10C.6, subsection 2, unnumbered paragraph
26 1, Code 2005, is amended to read as follows:

27 A person who is a successor in interest to a life science
28 enterprise may acquire or hold agricultural land,
29 notwithstanding section 10C.5 ~~as-that-section-exists-in-the~~
30 ~~2003-Code-or-2003-Code-Supplement~~, if all of the following
31 apply:

32 Sec. 4. Section 10C.6, subsection 2, paragraph a, Code
33 2005, is amended to read as follows:

34 a. The person meets the qualifications of a life science
35 enterprise and acquires or holds the agricultural land as

1 provided in chapter 10C ~~as that chapter exists in the 2003~~
2 ~~Code or 2003 Code Supplement.~~

3 Sec. 5. Section 15.104, subsection 4, unnumbered paragraph
4 1, Code 2005, is amended to read as follows:

5 Review and approve or disapprove a life science enterprise
6 plan or amendments to that plan as provided in chapter 10C as
7 that chapter exists on or before June 30, ~~2004~~ 2005, and
8 according to rules adopted by the board. A life science plan
9 shall make a reasonable effort to provide for participation by
10 persons who are individuals or family farm entities actively
11 engaged in farming as defined in section 10.1. The persons
12 may participate in the life science enterprise by holding an
13 equity position in the life science enterprise or providing
14 goods or service to the enterprise under contract. The plan
15 must be filed with the board not later than June 30, ~~2004~~
16 2005. The life science enterprise may file an amendment to a
17 plan at any time. A life science enterprise is not eligible
18 to file a plan, unless the life science enterprise files a
19 notice with the board. The notice shall be a simple statement
20 indicating that the life science enterprise may file a plan as
21 provided in this section. The notice must be filed with the
22 board not later than June ~~30, 2004~~ 1, 2005. The notice, plan,
23 or amendments shall be submitted by a life science enterprise
24 as provided by the board. The board shall consult with the
25 department of agriculture and land stewardship during its
26 review of a life science plan or amendments to that plan. The
27 plan shall include information regarding the life science
28 enterprise as required by rules adopted by the board,
29 including but not limited to all of the following:

30 Sec. 6. CODE EDITOR DIRECTIVE. The Code editor shall,
31 upon the repeal of sections 10C.1 through 10C.4, pursuant to
32 section 10C.5, insert in section 10C.6 references to the Code
33 or Code Supplement in which the most recent amendments to Code
34 chapter 10C or portions thereof, as applicable, were
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17 of \$1,000.

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SENATE FILE 205

AN ACT

PROVIDING FOR LIFE SCIENCE ENTERPRISES AUTHORIZED TO HOLD AGRICULTURAL LAND, MAKING PENALTIES APPLICABLE, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 10B.4, subsection 2, paragraph g, Code 2005, is amended to read as follows:

g. If the reporting entity is a life science enterprise, as provided in chapter 10C, as that chapter exists on or before June 30, ~~2004~~ 2005, the total amount of commercial sale of life science products and products other than life science products which are produced from the agricultural land held by the life science enterprise.

Sec. 2. Section 10C.6, subsection 1, paragraph a, Code 2005, is amended to read as follows:

a. A life science enterprise may acquire or hold agricultural land, notwithstanding section 10C.5 ~~as-that-section-exists-in-the-2005-Code~~, if all of the following apply:

- (1) The life science enterprise acquires the agricultural land on or before June 30, 2008.
- (2) The enterprise acquires or holds the agricultural land pursuant to chapter 10C ~~as-that-chapter-exists-in-the-2005-Code~~.
- (3) The economic development board has approved a life science enterprise plan filed on or before June 30, ~~2004~~ 2005, with the board. The enterprise must acquire or hold the agricultural land pursuant to the plan which may be amended at any time and approved by the board pursuant to section 15.104.

Sec. 3. Section 10C.6, subsection 2, unnumbered paragraph 1, Code 2005, is amended to read as follows:

A person who is a successor in interest to a life science enterprise may acquire or hold agricultural land, notwithstanding section 10C.5 ~~as-that-section-exists-in-the-2003-Code-or-2003-Code-Supplement~~, if all of the following apply:

Sec. 4. Section 10C.6, subsection 2, paragraph a, Code 2005, is amended to read as follows:

a. The person meets the qualifications of a life science enterprise and acquires or holds the agricultural land as provided in chapter 10C ~~as-that-chapter-exists-in-the-2003-Code-or-2003-Code-Supplement~~.

Sec. 5. Section 15.104, subsection 4, unnumbered paragraph 1, Code 2005, is amended to read as follows:

Review and approve or disapprove a life science enterprise plan or amendments to that plan as provided in chapter 10C as that chapter exists on or before June 30, ~~2004~~ 2005, and according to rules adopted by the board. A life science plan shall make a reasonable effort to provide for participation by persons who are individuals or family farm entities actively engaged in farming as defined in section 10.1. The persons may participate in the life science enterprise by holding an equity position in the life science enterprise or providing goods or service to the enterprise under contract. The plan must be filed with the board not later than June 30, ~~2004~~ 2005. The life science enterprise may file an amendment to a plan at any time. A life science enterprise is not eligible to file a plan, unless the life science enterprise files a notice with the board. The notice shall be a simple statement indicating that the life science enterprise may file a plan as provided in this section. The notice must be filed with the board not later than June ~~30, 2004~~ 1, 2005. The notice, plan, or amendments shall be submitted by a life science enterprise as provided by the board. The board shall consult with the department of agriculture and land stewardship during its review of a life science plan or amendments to that plan. The

plan shall include information regarding the life science enterprise as required by rules adopted by the board, including but not limited to all of the following:

Sec. 6. CODE EDITOR DIRECTIVE. The Code editor shall, upon the repeal of sections 10C.1 through 10C.4, pursuant to section 10C.5, insert in section 10C.6 references to the Code or Code Supplement in which the most recent amendments to Code chapter 10C or portions thereof, as applicable, were incorporated.

Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

JOHN P. KIBBIE
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 205, Eighty-first General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved 4/6, 2005

THOMAS J. VILSACK
Governor