



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

May 27, 2016

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol
LOCAL

Dear Mr. Secretary:

I hereby transmit House File 2454, an Act relating to and making appropriations involving state government entities involved with agriculture, natural resources, and environmental protection, and including effective date provisions.

House File 2454 is approved on this date with the following exception, of which I hereby disapprove. I am unable to approve of the item designated as Section 24 of this Act in its entirety. This item requires the Iowa Department of Natural Resources (DNR) to conduct a study on the feasibility of installing electronic card reader systems and imposing user fees at state parks. This section is unnecessary because there is nothing that currently prevents the DNR from studying the feasibility of using electronic card reader systems at state parks. However, I do not support charging Iowans a user fee to enjoy our state parks. In the 1980s, the State of Iowa charged state park user fees and found that Iowans greatly disliked them. We should not be conducting studies on state park user fees when history already tells us that such fees would be unpopular with, and rejected by, the people of this State.

For the above reasons, I respectfully disapprove the above-designated item in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2454 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

TERRY E. BRANSTAD
Governor



House File 2454

AN ACT

RELATING TO AND MAKING APPROPRIATIONS INVOLVING STATE
GOVERNMENT ENTITIES INVOLVED WITH AGRICULTURE, NATURAL
RESOURCES, AND ENVIRONMENTAL PROTECTION, AND INCLUDING
EFFECTIVE DATE PROVISIONS.

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

DIVISION I

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
GENERAL APPROPRIATIONS FOR FY 2016-2017

Section 1. 2015 Iowa Acts, chapter 132, section 24, is
amended to read as follows:

SEC. 24. GENERAL FUND — DEPARTMENT.

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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department, including its divisions, for administration, regulation, and programs; for salaries, support, maintenance, and miscellaneous purposes; and for not more than the following full-time equivalent positions:

.....	\$	8,827,746
		<u>17,655,492</u>
.....	FTEs	372.00

2. Of the amount appropriated in subsection 1, the following amount is transferred to Iowa state university of science and technology, to be used for the university's midwest grape and wine industry institute:

.....	\$	144,000
		<u>288,000</u>

3. The department shall submit a report each quarter of the fiscal year to the legislative services agency, the department of management, the members of the joint appropriations subcommittee on agriculture and natural resources, and the chairpersons and ranking members of the senate and house committees on appropriations. The report shall describe in detail the expenditure of moneys appropriated in this section to support the department's administration, regulation, and programs.

DESIGNATED APPROPRIATIONS
MISCELLANEOUS FUNDS

Sec. 2. 2015 Iowa Acts, chapter 132, section 25, is amended to read as follows:

SEC. 25. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS — HORSE AND DOG RACING. There is appropriated from the moneys available under section 99D.13 to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For purposes of supporting the department's administration and enforcement of horse and dog racing law pursuant to section 99D.22, including for salaries, support, maintenance, and miscellaneous purposes:

.....	\$	152,758
		<u>295,516</u>

2. For allocation to the Iowa junior angus association in connection with the 2016 national junior angus show:

.....	\$	10,000
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Sec. 3. 2015 Iowa Acts, chapter 132, section 26, is amended to read as follows:

SEC. 26. RENEWABLE FUEL INFRASTRUCTURE FUND — MOTOR FUEL INSPECTION.

1. There is appropriated from the renewable fuel infrastructure fund created in section 159A.16 to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of the inspection of motor fuel, including salaries, support, maintenance, and miscellaneous purposes:

.....	\$	250,000
		<u>500,000</u>

2. The department shall establish and administer programs for the auditing of motor fuel including biofuel processing and production plants, for screening and testing motor fuel, including renewable fuel, and for the inspection of motor fuel sold by dealers including retail dealers who sell and dispense motor fuel from motor fuel pumps.

SPECIAL APPROPRIATIONS

GENERAL FUND

Sec. 4. 2015 Iowa Acts, chapter 132, section 27, is amended to read as follows:

SEC. 27. DAIRY REGULATION.

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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of performing functions pursuant to section 192.109, including conducting a survey of grade "A" milk and certifying the results to the secretary of agriculture:

..... \$ ~~94,598~~
189,196

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used for the purposes designated until the close of the succeeding fiscal year.

Sec. 5. 2015 Iowa Acts, chapter 132, section 28, is amended to read as follows:

SEC. 28. LOCAL FOOD AND FARM PROGRAM.

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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the local food and farm program pursuant to chapter 267A:

..... \$ ~~37,500~~
75,000

2. The department shall enter into a cost-sharing agreement with Iowa state university of science and technology to support the local food and farm program coordinator position as part of the university's cooperative extension service in agriculture and home economics pursuant to chapter 267A.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used for the purposes designated until the close of the succeeding fiscal year.

Sec. 6. 2015 Iowa Acts, chapter 132, section 29, is amended to read as follows:

SEC. 29. AGRICULTURAL EDUCATION.

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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be

used for the purposes designated:

For purposes of allocating moneys to an Iowa association affiliated with a national organization which promotes agricultural education providing for future farmers:

.....	\$	12,500
		<u>25,000</u>

2. Notwithstanding section 8.33, moneys appropriated for the fiscal year beginning July 1, 2016, in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used for the purposes designated until the close of the succeeding fiscal year.

Sec. 7. 2015 Iowa Acts, chapter 132, section 30, is amended to read as follows:

SEC. 30. FARMERS WITH DISABILITIES PROGRAM.

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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting a program for farmers with disabilities:

.....	\$	65,000
		<u>130,000</u>

2. The moneys appropriated in subsection 1 shall be used for the public purpose of providing a grant to a national nonprofit organization with over 80 years of experience in assisting children and adults with disabilities and special needs. The moneys shall be used to support a nationally recognized program that began in 1986 and has been replicated in at least 30 other states, but which is not available through any other entity in this state, and that provides assistance to farmers with disabilities in all 99 counties to allow the farmers to remain in their own homes and be gainfully engaged in farming through provision of agricultural worksite and home modification consultations, peer support services, services to families, information and referral, and equipment loan services.

3. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the

close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DIVISION II
GENERAL FUND

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

WATER QUALITY INITIATIVE

APPROPRIATIONS FOR FY 2016-2017

Sec. 8. 2015 Iowa Acts, chapter 132, section 31, is amended to read as follows:

SEC. 31. WATER QUALITY INITIATIVE — GENERAL.

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, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For deposit in the water quality initiative fund created in section 466B.45, for purposes of supporting the water quality initiative administered by the division of soil conservation and water quality as provided in section 466B.42, including salaries, support, maintenance, and miscellaneous purposes:	\$ 2,200,000
.....	<u>4,400,000</u>

2. a. The moneys appropriated in subsection 1 shall be used to support projects in subwatersheds as designated by the division that are part of high-priority watersheds identified by the water resources coordinating council established pursuant to section 466B.3.

b. The moneys appropriated in subsection 1 shall be used to support projects in watersheds generally, including regional watersheds, as designated by the division and high-priority watersheds identified by the water resources coordinating council established pursuant to section 466B.3.

3. In supporting projects in subwatersheds and watersheds as provided in subsection 2, all of the following shall apply:

a. The demonstration projects shall utilize water quality practices as described in the latest revision of the document entitled "Iowa Nutrient Reduction Strategy" initially presented in November 2012 by the department of agriculture and land

stewardship, the department of natural resources, and Iowa state university of science and technology.

b. The division shall implement demonstration projects as provided in paragraph "a" by providing for participation by persons who hold a legal interest in agricultural land used in farming. To every extent practical, the division shall provide for collaborative participation by such persons who hold a legal interest in agricultural land located within the same subwatershed.

c. The division shall implement a demonstration project on a cost-share basis as determined by the division. However, the state's share of the amount shall not exceed 50 percent of the estimated cost of establishing the practice as determined by the division or 50 percent of the actual cost of establishing the practice, whichever is less.

d. The demonstration projects shall be used to educate other persons about the feasibility and value of establishing similar water quality practices. The division shall promote field day events for purposes of allowing interested persons to establish water quality practices on their agricultural land.

e. The division shall conduct water quality evaluations within supported subwatersheds. Within a reasonable period after accumulating information from such evaluations, the division shall create an aggregated database of water quality practices. Any information identifying a person holding a legal interest in agricultural land or specific agricultural land shall be a confidential record under section 22.7.

4. The moneys appropriated in subsection 1 shall be used to support education and outreach in a manner that encourages persons who hold a legal interest in agricultural land used for farming to implement water quality practices, including the establishment of such practices in watersheds generally, and not limited to subwatersheds or high-priority watersheds.

5. The moneys appropriated in subsection 1 may be used to contract with persons to coordinate the implementation of efforts provided in this section.

6. The moneys appropriated in subsection 1 may be used by the department to support urban soil and water conservation efforts, which may include but are not limited to management

practices related to bioretention, landscaping, the use of permeable or pervious pavement, and soil quality restoration. The moneys shall be allocated on a cost-share basis as provided in chapter 161A.

7. Notwithstanding any other provision of law to the contrary, the department may use moneys appropriated in subsection 1 to carry out the provisions of this section on a cost-share basis in combination with other moneys available to the department from a state or federal source.

8. Not more than 10 percent of the moneys appropriated in this section may be used to pay for the costs of administering and implementing the water quality initiative by the department's division of soil conservation and water quality as provided in section 466B.42 and this section.

DIVISION III

DEPARTMENT OF NATURAL RESOURCES

GENERAL APPROPRIATIONS FOR FY 2016-2017

Sec. 9. 2015 Iowa Acts, chapter 132, section 32, is amended to read as follows:

SEC. 32. GENERAL FUND — DEPARTMENT.

1. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

.....	\$	6,431,154
		<u>12,862,307</u>
.....	FTEs	1,145.95

2. Of the number of full-time equivalent positions authorized to the department pursuant to subsection 1, 50.00 full-time equivalent positions shall be allocated by the department for seasonal employees for purposes of providing maintenance, upkeep, and sanitary services at state parks. This subsection shall not impact park ranger or park manager positions within the department.

3. The department shall submit a report each quarter of the fiscal year to the legislative services agency, the department of management, the members of the joint appropriations subcommittee on agriculture and natural resources, and the chairpersons and ranking members of the senate and house committees on appropriations. The report shall describe in detail the expenditure of moneys appropriated under this section to support the department's administration, regulation, and programs.

Sec. 10. 2015 Iowa Acts, chapter 132, section 33, is amended to read as follows:

SEC. 33. STATE FISH AND GAME PROTECTION FUND — REGULATION AND ADVANCEMENT OF OUTDOOR ACTIVITIES.

1. There is appropriated from the state fish and game protection fund to the department of natural resources for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the regulation or advancement of hunting, fishing, or trapping, or the protection, propagation, restoration, management, or harvest of fish or wildlife, including for administration, regulation, law enforcement, and programs; and for salaries, support, maintenance, equipment, and miscellaneous purposes:

..... \$ ~~20,611,613~~
42,044,573

2. Notwithstanding section 455A.10, the department may use the unappropriated balance remaining in the state fish and game protection fund to provide for the funding of health and life insurance premium payments from unused sick leave balances of conservation peace officers employed in a protection occupation who retire, pursuant to section 97B.49B.

3. Notwithstanding section 455A.10, the department of natural resources may use the unappropriated balance remaining in the state fish and game protection fund for the fiscal year beginning July 1, 2016, and ending June 30, 2017, as is necessary to fund salary adjustments for departmental employees for which the general assembly has made an operating budget appropriation in subsection 1.

Sec. 11. 2015 Iowa Acts, chapter 132, section 34, is amended to read as follows:

SEC. 34. GROUNDWATER PROTECTION FUND — WATER QUALITY. There is appropriated from the groundwater protection fund created in section 455E.11 to the department of natural resources for the fiscal year beginning July 1, 2016, and ending June 30, 2017, from those moneys which are not allocated pursuant to that section, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department's protection of the state's groundwater, including for administration, regulation, and programs, and for salaries, support, maintenance, equipment, and miscellaneous purposes:
..... \$ ~~1,727,916~~
3,455,832

DESIGNATED APPROPRIATIONS
MISCELLANEOUS FUNDS

Sec. 12. 2015 Iowa Acts, chapter 132, section 35, is amended to read as follows:

SEC. 35. SPECIAL SNOWMOBILE FUND — SNOWMOBILE PROGRAM. There is appropriated from the special snowmobile fund created under section 321G.7 to the department of natural resources for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of administering and enforcing the state snowmobile programs:
..... \$ ~~50,000~~
100,000

Sec. 13. 2015 Iowa Acts, chapter 132, section 36, is amended to read as follows:

SEC. 36. UNASSIGNED REVENUE FUND — UNDERGROUND STORAGE TANKS SECTION EXPENSES. There is appropriated from the unassigned revenue fund administered by the Iowa comprehensive petroleum underground storage tank fund board established pursuant to section 455G.4 to the department of natural resources for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof

as is necessary, to be used for the purpose designated:

For purposes of paying for administration expenses of the department's underground storage tanks section:

.....	\$ 100,000
	<u>200,000</u>

SPECIAL APPROPRIATIONS

GENERAL FUND

Sec. 14. 2015 Iowa Acts, chapter 132, section 37, is amended to read as follows:

SEC. 37. FLOODPLAIN MANAGEMENT AND DAM SAFETY.

1. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of supporting floodplain management and dam safety:

.....	\$ 975,000
	<u>1,950,000</u>

2. Of the amount appropriated in subsection 1, up to ~~\$200,000~~ \$400,000 may be used by the department to acquire or install stream gages for purposes of tracking and predicting flood events and for compiling necessary data to improve flood frequency analysis.

3. Notwithstanding section 8.33, moneys appropriated in subsection 1 that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 15. 2015 Iowa Acts, chapter 132, section 38, is amended to read as follows:

SEC. 38. FORESTRY HEALTH MANAGEMENT.

1. There is appropriated from the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of providing for forestry health management programs:

.....	\$	250,000
		<u>500,000</u>

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available to be used for the purposes designated until the close of the succeeding fiscal year.

DIVISION IV
IOWA STATE UNIVERSITY
SPECIAL GENERAL FUND APPROPRIATIONS FOR FY 2016-2017
VETERINARY DIAGNOSTIC LABORATORY

Sec. 16. 2015 Iowa Acts, chapter 132, section 39, is amended to read as follows:

SEC. 39. VETERINARY DIAGNOSTIC LABORATORY.

1. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the college of veterinary medicine for the operation of the veterinary diagnostic laboratory and for not more than the following full-time equivalent positions:

.....	\$	2,000,000
		<u>4,000,000</u>
.....	FTEs	51.00

2. a. Iowa state university of science and technology shall not reduce the amount that it allocates to support the college of veterinary medicine from any other source due to the appropriation made in this section.

b. Paragraph "a" does not apply to a reduction made to support the college of veterinary medicine, if the same percentage of reduction imposed on the college of veterinary medicine is also imposed on all of Iowa state university of science and technology's budget units.

3. If by June 30, 2017, Iowa state university of science and technology fails to allocate the moneys appropriated in this section to the college of veterinary medicine in accordance with this section, the moneys appropriated in this section for

that fiscal year shall revert to the general fund of the state.

WATER QUALITY INITIATIVE

Sec. 17. 2015 Iowa Acts, chapter 132, section 40, is amended to read as follows:

SEC. 40. IOWA NUTRIENT RESEARCH CENTER.

1. There is appropriated from the general fund of the state to Iowa state university of science and technology for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting an Iowa nutrient research center as established in section 466B.47:

.....	\$ 662,500
	<u>1,325,000</u>

2. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

DIVISION V

ENVIRONMENT FIRST FUND

GENERAL APPROPRIATIONS FOR FY 2016-2017

Sec. 18. 2015 Iowa Acts, chapter 132, section 41, is amended to read as follows:

SEC. 41. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP.

There is appropriated from the environment first fund created in section 8.57A to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)

a. For the conservation reserve enhancement program to restore and construct wetlands for the purposes of intercepting tile line runoff, reducing nutrient loss, improving water quality, and enhancing agricultural production practices:

.....	\$ 500,000
	<u>1,000,000</u>

b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and

implementation of soil and water conservation practices.

c. Notwithstanding any other provision in law, the department may use moneys appropriated in this subsection, in combination with other appropriate environment first fund appropriations, for cost sharing to match United States department of agriculture, natural resources conservation service, wetlands reserve enhancement program (WREP) funding available to Iowa.

2. WATERSHED PROTECTION

a. For continuation of a program that provides multiobjective resource protections for flood control, water quality, erosion control, and natural resource conservation:

..... \$ 450,000
900,000

b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.

3. FARM MANAGEMENT DEMONSTRATION PROGRAM

a. For continuation of a statewide voluntary farm management demonstration program to demonstrate the effectiveness and adaptability of emerging practices in agronomy that protect water resources and provide other environmental benefits:

..... \$ 312,500
625,000

b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.

c. Of the amount appropriated in paragraph "a", ~~\$200,000~~ \$400,000 shall be allocated to an organization representing soybean growers to provide for an agriculture and environment performance program in order to carry out the purposes of this subsection as specified in paragraph "a".

4. SOIL AND WATER CONSERVATION — ADMINISTRATION

a. For use by the department for costs of administration and implementation of soil and water conservation practices:

..... \$ 1,350,000
2,800,000

b. Of the moneys appropriated in paragraph "a", the

department shall support field staff providing technical assistance by allocating fifty percent of the amount that the department allocated to support field staff under section 19, subsection 4, of this Act. In addition, of the moneys appropriated in paragraph "a", the department shall allocate an additional ~~\$75,000~~ \$150,000 to support such field staff.

5. CONSERVATION RESERVE PROGRAM (CRP)

a. To encourage and assist farmers in enrolling in and the implementation of the federal conservation reserve program and to work with them to enhance their revegetation efforts to improve water quality and habitat:

..... \$ ~~500,000~~
1,000,000

b. Not more than 10 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.

6. SOIL AND WATER CONSERVATION

a. For use by the department in providing for soil and water conservation administration, the conservation of soil and water resources, or the support of soil and water conservation districts:

..... \$ ~~3,375,000~~
6,750,000

b. Of the amount appropriated in paragraph "a" that the department allocates to a soil and water conservation district, the first ~~\$7,500~~ \$15,000 may be expended by the district for the purpose of providing financial incentives under section 161A.73 to establish management practices for the control of soil erosion on land that is row-cropped, including but not limited to nontill planting, ridge-till planting, and contouring strip-cropping. Of any remaining amount of that appropriation allocated by the department to a district, 30 percent may be expended by the district for that same purpose.

c. Not more than 5 percent of the moneys appropriated in paragraph "a" may be allocated for cost sharing to address complaints filed under section 161A.47.

d. Of the moneys appropriated in paragraph "a", 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 as provided in section 161A.73.

e. The state soil conservation committee established by section 161A.4 may allocate moneys appropriated in paragraph "a" to conduct research and demonstration projects to promote conservation tillage and nonpoint source pollution control practices.

f. The allocation of moneys as financial incentives as provided in section 161A.73 may be used in combination with moneys allocated by the department of natural resources.

g. Not more than 15 percent of the moneys appropriated in paragraph "a" may be used for costs of administration and implementation of soil and water conservation practices.

h. In lieu of moneys appropriated in section 466A.5, not more than ~~\$25,000~~ \$50,000 of the moneys appropriated in paragraph "a" shall be used by the division of soil conservation and water quality of the department of agriculture and land stewardship to provide administrative support to the watershed improvement review board established in section 466A.3.

7. LOESS HILLS DEVELOPMENT AND CONSERVATION FUND

a. For deposit in the loess hills development and conservation fund created in section 161D.2:

.....	\$	300,000
		<u>600,000</u>

b. (1) Of the amount appropriated in paragraph "a", ~~\$225,000~~ \$450,000 shall be allocated to the fund's hungry canyons account.

(2) Not more than 10 percent of the moneys allocated to the hungry canyons account as provided in subparagraph (1) may be used for administrative costs.

c. (1) Of the amount appropriated in paragraph "a", ~~\$75,000~~ \$150,000 shall be allocated to the fund's loess hills alliance account.

(2) Not more than 10 percent of the moneys allocated to the loess hills alliance account as provided in subparagraph (1) may be used for administrative costs.

Sec. 19. 2015 Iowa Acts, chapter 132, section 42, is amended to read as follows:

SEC. 42. DEPARTMENT OF NATURAL RESOURCES. There is appropriated from the environment first fund created in section 8.57A to the department of natural resources for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. STATE PARKS MAINTENANCE AND OPERATIONS

a. For regular maintenance and operations of state parks and staff time associated with these activities:

..... \$ ~~3,057,500~~
6,235,000

b. Of the amount appropriated in paragraph "a", up to \$100,000 shall be allocated for statewide coordination of volunteer efforts under the water quality and keepers of the land programs.

2. GEOGRAPHIC INFORMATION SYSTEM (GIS)

To provide local watershed managers with geographic information system data for their use in developing, monitoring, and displaying results of their watershed work:

..... \$ ~~97,500~~
195,000

3. WATER QUALITY MONITORING

For continuing the establishment and operation of water quality monitoring stations:

..... \$ ~~1,477,500~~
2,955,000

4. PUBLIC WATER SUPPLY SYSTEM ACCOUNT

For deposit in the public water supply system account of the water quality protection fund created in section 455B.183A:

..... \$ ~~250,000~~
500,000

5. REGULATION OF ANIMAL FEEDING OPERATIONS

For the regulation of animal feeding operations, including as provided for in chapters 459 through 459B:

..... \$ ~~660,000~~
1,320,000

6. AMBIENT AIR QUALITY

For the abatement, control, and prevention of ambient air pollution in this state, including measures as necessary

to assure attainment and maintenance of ambient air quality standards from particulate matter:

..... \$ 212,500
425,000

7. WATER QUANTITY REGULATION

For regulating water quantity from surface and subsurface sources by providing for the allocation and use of water resources, the protection and management of water resources, and the preclusion of conflicts among users of water resources, including as provided in chapter 455B, division III, part 4:

..... \$ 247,500
495,000

8. GEOLOGICAL AND WATER SURVEY

For continuing the operations of the department's geological and water survey including but not limited to providing analysis, data collection, investigative programs, and information for water supply development and protection:

..... \$ 100,000
200,000

~~9. KEEP IOWA BEAUTIFUL INITIATIVE~~

~~For purposes of supporting a keep Iowa beautiful initiative in order to assist communities in developing and implementing beautification and community development plans:~~

~~..... \$ 100,000~~

Sec. 20. 2015 Iowa Acts, chapter 132, section 43, is amended to read as follows:

SEC. 43. REVERSION.

1. Except as provided in subsection 2, and notwithstanding section 8.33, moneys appropriated for the fiscal year beginning July 1, 2016, in this division of this Act that remain unencumbered or unobligated at the close of the fiscal year shall not revert but instead shall remain available to be used for the purposes designated until the close of the succeeding fiscal year, or until the project for which the appropriation was made is completed, whichever is earlier.

2. Notwithstanding section 8.33, moneys appropriated for the fiscal year beginning July 1, 2016, in this division of this Act to the department of agriculture and land stewardship to provide financial assistance for the establishment of

permanent soil and water conservation practices that remain unencumbered or unobligated at the close of the fiscal year shall not revert but instead shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2019.

DIVISION VI
ENVIRONMENT FIRST FUND
SPECIAL APPROPRIATION FOR FY 2016-2017

Sec. 21. REAP — IN LIEU OF GENERAL FUND

APPROPRIATION. Notwithstanding the standing appropriation in section 455A.18, there is appropriated from the environment first fund created in section 8.57A to the Iowa resources enhancement and protection fund, in lieu of the appropriation made in section 455A.18, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following amount, to be allocated as provided in section 455A.19:

..... \$ 16,000,000

DIVISION VII
FUNDS UNDER THE CONTROL OF THE ECONOMIC DEVELOPMENT AUTHORITY
SPECIAL AUTHORITY GRANTED TO THE DIRECTOR TO ALLOCATE MONEYS
FOR FY 2016-2017

Sec. 22. KEEP IOWA BEAUTIFUL INITIATIVE. The director of the economic development authority created in section 15.105 may allocate moneys in one or more funds established in section 15.106A, subsection 1, paragraph "o", for the fiscal year beginning July 1, 2016, and ending June 30, 2017, for the purpose of supporting a keep Iowa beautiful initiative in order to assist communities in developing and implementing beautification and community development plans.

DIVISION VIII
STATUTORY CHANGES — STUDIES — DEPARTMENT OF NATURAL RESOURCES

Sec. 23. STATE FORESTRY NURSERIES. The department of natural resources shall conduct a study of the long-term viability of maintaining the state forest nurseries. Pursuant to section 455A.13, the nurseries must establish by rule sale prices offered for plants that cover all expenses related to the growing of the plants. The department shall submit a report, including findings, recommendations, and any proposed legislation, to the governor and the joint appropriations

subcommittee on agriculture and natural resources not later than December 1, 2016.

~~TEB~~ ~~Sec. 24. FEASIBILITY OF ELECTRONIC SYSTEMS AT STATE PARKS.~~

~~1. The department of natural resources shall conduct a study of the feasibility of installing electronic systems at the entrances of areas located within the department's jurisdiction for the exclusive purpose of allowing the department to more efficiently collect user fees from individuals who enter those areas by motor vehicle. The department shall consider different types of electronic systems that are practical to install and provide a cost-savings to the state during the lifespan of the electronic system.~~

~~2. As part of the study, the department shall also solicit input from state park users and state park supporter groups regarding their willingness to pay additional fees to provide funding for the maintenance and operations of state parks.~~

~~3. The department shall submit a report regarding the study, including findings, recommendations, and any proposed legislation, to the governor and the joint appropriations subcommittee on agriculture and natural resources not later than January 15, 2017.~~ ~~TEB~~

Sec. 25. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION IX

STATUTORY CHANGES — ANIMAL AGRICULTURE — CIVIL PENALTIES

Sec. 26. Section 455B.109, subsection 5, paragraph b, Code 2016, is amended to read as follows:

b. Civil penalties assessed and collected by or on behalf of the department and interest on the civil penalties as provided in sections 459.602, 459.603, 459.604, 459A.502, and 459B.402 shall be ~~deposited into~~ credited to the watershed improvement Iowa nutrient research fund created in section ~~466A.2~~ 466B.46.

Sec. 27. Section 459.602, Code 2016, is amended to read as follows:

459.602 Air quality violations — civil penalty.

A person who violates subchapter II shall be subject to a civil penalty which shall be established, assessed, and collected in the same manner as provided in section 455B.109.

Any collected civil penalty ~~collected~~ and interest on a civil penalty shall be ~~deposited into~~ credited to the ~~watershed improvement~~ Iowa nutrient research fund created in section ~~466A.2~~ 466B.46.

Sec. 28. Section 459.603, Code 2016, is amended to read as follows:

459.603 Water quality violations — civil penalty.

A person who violates subchapter III shall be subject to a civil penalty which shall be established, assessed, and collected in the same manner as provided in section 455B.109 or 455B.191. Any collected civil penalty ~~collected~~ and interest on a civil penalty shall be ~~deposited into~~ credited to the ~~watershed improvement~~ Iowa nutrient research fund created in section ~~466A.2~~ 466B.46.

Sec. 29. Section 459.604, subsection 2, Code 2016, is amended to read as follows:

2. Moneys assessed and collected in civil penalties and interest earned on civil penalties, arising out of a violation involving an animal feeding operation, shall be ~~deposited into~~ credited to the ~~watershed improvement~~ Iowa nutrient research fund created in section ~~466A.2~~ 466B.46.

Sec. 30. Section 459A.502, Code 2016, is amended to read as follows:

459A.502 Violations — civil penalty.

A person who violates this chapter shall be subject to a civil penalty which shall be established, assessed, and collected in the same manner as provided in section 455B.191. Any collected civil penalty ~~collected~~ and interest on a civil penalty shall be ~~deposited into~~ credited to the ~~watershed improvement~~ Iowa nutrient research fund created in section ~~466A.2~~ 466B.46. A person shall not be subject to a penalty under this section and a penalty under section 459.603 for the same violation.

Sec. 31. Section 459B.402, Code 2016, is amended to read as follows:

459B.402 Violations — civil penalty.

A person who violates section 459B.301 shall be subject to the same penalty as provided in section 459.602, and a person who violates any other provision of this chapter shall be

subject to the same penalty as provided in section 459.603. Any collected civil penalty ~~collected~~ and interest on a civil penalty shall be ~~deposited into~~ credited to the ~~watershed improvement~~ Iowa nutrient research fund created in section ~~466A.2~~ 466B.46.

Sec. 32. Section 466A.2, subsection 1, paragraph b, subparagraph (2), Code 2016, is amended to read as follows:

(2) The special account shall exclusively include moneys that prior to the effective date of this division of this Act were assessed and collected by or on behalf of the department of natural resources as provided in sections 455B.109, 459.602, 459.603, 459.604, 459A.502, and 459B.402. Additionally, payments of interest, recaptures of awards, and other repayments to the account shall be deposited in the account.

Sec. 33. NEW SECTION. 466B.46 Iowa nutrient research fund — creation and purpose.

1. An Iowa nutrient research fund is created in the state treasury under the management and control of the center.

2. The fund shall include all of the following:

a. Moneys appropriated by the general assembly.

b. Moneys assessed and collected by or on behalf of the department of natural resources to be credited to the fund as provided in sections 455B.109, 459.602, 459.603, 459.604, 459A.502, and 459B.402.

c. Moneys accepted by the center from public or private sources.

3. Moneys in the fund are appropriated to the center and shall be used exclusively by the center to carry out its purpose as described in section 466B.47.

4. *a.* Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

b. The moneys credited to the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section.

Sec. 34. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

STATUTORY CHANGES — WATERSHED IMPROVEMENT REVIEW BOARD
SUSPENSION OF NEW ACTIVITIES

Sec. 35. WATERSHED IMPROVEMENT REVIEW BOARD.

1. The watershed improvement review board as established in section 466A.3 and the division of soil conservation and water quality of the department of agriculture and land stewardship shall not establish any new activity, including a project, on or after the effective date of this division of this Act, that otherwise could be conducted under chapter 466A. The board and the division shall administer ongoing activities, including projects, established prior to the effective date of this division of this Act until the activities are concluded by their own terms.

2. Any unobligated and unexpended moneys in the watershed improvement fund created in section 466A.2 shall not be expended for any purpose, except as necessary to administer ongoing activities, including projects, conducted under chapter 466A, by the board and the division as described in subsection 1. The board may expend moneys in the fund as necessary to pay for any reasonable overrun associated with an activity, including a project, established prior to the effective date of this division of this Act.

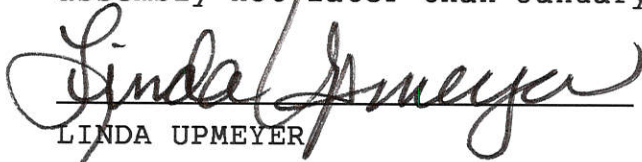
Sec. 36. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XI

STATUTORY CHANGES — DEPARTMENT OF AGRICULTURE AND LAND
STEWARDSHIP — NUTRIENT REDUCTION PILOT PROJECT

Sec. 37. REVERSE AUCTION. The department of agriculture and land stewardship shall establish a pilot project to determine the feasibility and cost-effectiveness of conducting reverse auctions when allocating financial assistance to persons seeking to establish practices that reduce the transport of nutrients to surface water from nonpoint sources within watersheds. The department shall advertise for bids, analyze accepted bids, and award cost-share moneys to one or more successful bidders based on a ranking that computes the greatest benefit-to-cost ratio for all accepted bids. The department shall prepare and submit a report regarding its

findings and recommendations to the governor and general assembly not later than January 13, 2017.


LINDA UPMEYER

Speaker of the House



PAM JOCHUM

President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2454, Eighty-sixth General Assembly.



CARMINE BOAL

Chief Clerk of the House

Approved May 27, 2016



TERRY E. BRANSTAD

Governor

with exception noted.