

**Senate File 272 - Introduced**

SENATE FILE 272

BY SORENSON

(COMPANION TO LSB 2393HH BY  
PEARSON)

**A BILL FOR**

1 An Act relating to the production or manufacture of goods  
2 retained within the state of Iowa and federal authority  
3 in relation thereto, providing penalties, and including  
4 effective date and applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 554E.1 Short title.

2 This chapter may be cited as the "*Intrastate Commerce Act*".

3 Sec. 2. NEW SECTION. 554E.2 Legislative intent.

4 The general assembly finds the following:

5 1. The tenth amendment to the Constitution of the United  
6 States codifies in law that the only powers which the federal  
7 government may exercise are those that have been delegated to  
8 it in the Constitution.

9 2. The ninth amendment to the Constitution of the United  
10 States guarantees to the people rights not enumerated in the  
11 Constitution and reserves to the people those rights.

12 3. Under Article I, section 8, clause 3, of the Constitution  
13 of the United States, the federal government is empowered to  
14 regulate commerce among the several states.

15 4. The power to regulate intrastate commerce is reserved to  
16 the states or the people under the ninth and tenth amendments  
17 to the Constitution of the United States.

18 5. During the constitutional convention, the founders  
19 considered and rejected a plan which would have authorized the  
20 federal government to not only regulate commerce among the  
21 several states, but also any activity having spillover effects  
22 across state lines.

23 Sec. 3. NEW SECTION. 554E.3 Iowa goods retained in-state —  
24 federal regulation — inapplicability.

25 1. As used in this chapter, unless the context otherwise  
26 requires:

27 a. "*Basic materials or parts*" means raw materials physically  
28 and directly associated with the finished product in the  
29 manufacturing process.

30 b. "*Goods*" means all real or personal, tangible or  
31 intangible property.

32 c. "*Produced*" means grown, mined, extracted, or created.

33 2. All goods produced or manufactured, whether commercially  
34 or privately, within the boundaries of this state that are  
35 held, maintained, or retained within the boundaries of this

1 state shall not be deemed to have traveled in interstate  
2 commerce and shall not be subject to federal law, federal  
3 regulation, or the authority of the Congress of the United  
4 States under its constitutional power to regulate commerce.  
5 This chapter shall apply to goods that are manufactured within  
6 this state from basic materials or parts. The authority of the  
7 Congress of the United States to regulate interstate commerce  
8 in basic materials or parts shall not include the authority  
9 to regulate goods manufactured within this state from such  
10 materials or parts.

11 3. This chapter shall not apply to the following:

12 a. Goods manufactured within this state unless the words  
13 "made in Iowa" are clearly stamped or marked on an integral  
14 part of the good.

15 b. Goods produced within this state unless the words  
16 "product of Iowa" are clearly stamped or marked on the  
17 container or packaging.

18 c. Goods ordered, procured, or purchased by the United  
19 States government or by any contractor pursuant to an agreement  
20 with the United States government.

21 Sec. 4. NEW SECTION. 554E.4 Penalties.

22 1. Any official, agent, or employee of the United States  
23 government or any employee of a corporation providing services  
24 to the United States government that enforces or attempts to  
25 enforce an Act, order, law, statute, rule, or regulation of the  
26 government of the United States in violation of this Act shall  
27 be guilty of an aggravated misdemeanor.

28 2. Any public officer or employee of this state that  
29 enforces or attempts to enforce an Act, order, law, statute,  
30 rule, or regulation of the government of the United States in  
31 violation of this Act shall be guilty of a serious misdemeanor.

32 Sec. 5. EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This  
33 Act, being deemed of immediate importance, takes effect upon  
34 enactment and applies to goods held, maintained, or retained  
35 within the boundaries of the state that have been produced or

1 manufactured within this state on or after that date.

2 EXPLANATION

3 This bill relates to the production or manufacture of goods  
4 retained within the state of Iowa and federal regulatory  
5 authority.

6 The bill provides legislative intent regarding the retention  
7 and delegation of powers in the United States Constitution,  
8 and states that the power to regulate intrastate commerce is  
9 reserved to the states or the people under the ninth and tenth  
10 amendments to the Constitution. The bill also states that  
11 during the constitutional convention, the founders considered  
12 and rejected a plan which would have authorized the federal  
13 government to not only regulate commerce among the several  
14 states, but also any activity having spillover effects across  
15 state lines.

16 The bill provides several definitions. The bill defines  
17 "basic materials or parts" to mean raw materials physically  
18 and directly associated with the finished product in the  
19 manufacturing process. The bill defines "goods" to mean all  
20 real or personal, tangible or intangible property. The bill  
21 defines "produced" to mean grown, mined, extracted, or created.

22 The bill states that all goods produced or manufactured  
23 either commercially or privately within Iowa that are held,  
24 maintained, or retained within Iowa shall not be deemed to  
25 have traveled in interstate commerce and therefore shall  
26 not be subject to federal law, federal regulation, or the  
27 constitutional authority of the Congress of the United States  
28 to regulate interstate commerce. The bill provides that  
29 this only applies to goods that are manufactured within Iowa  
30 from basic materials or parts. The bill further provides  
31 that protection from federal regulation shall be confined  
32 to goods manufactured within Iowa which have "made in Iowa"  
33 clearly stamped or marked on an integral part, or produced in  
34 Iowa unless the words "product of Iowa" are clearly stamped  
35 or marked on the container or packaging. The bill further

1 provides that goods ordered, procured, or purchased by the  
2 United States government or by any contractor pursuant to an  
3 agreement with the United States government are not included in  
4 the protection from federal regulation.

5 The bill specifies that any official, agent, or employee of  
6 the United States government or any employee of a corporation  
7 providing services to the United States government that  
8 enforces or attempts to enforce an Act, order, law, statute,  
9 rule, or regulation of the government of the United States  
10 in violation of the bill's provisions shall be guilty of  
11 an aggravated misdemeanor. An aggravated misdemeanor is  
12 punishable by confinement for no more than two years and a  
13 fine of at least \$625 but not more than \$6,250. The bill  
14 additionally specifies that any public officer or employee of  
15 this state that enforces or attempts to enforce an Act, order,  
16 law, statute, rule, or regulation of the government of the  
17 United States in violation of the bill shall be guilty of a  
18 serious misdemeanor. A serious misdemeanor is punishable by  
19 confinement for no more than one year and a fine of at least  
20 \$315 but not more than \$1,875.

21 The bill takes effect upon enactment and applies to goods  
22 held, maintained, or retained within the boundaries of the  
23 state that have been produced or manufactured within this state  
24 on or after that date.