

**House File 2211 - Introduced**

HOUSE FILE 2211

BY WILLS

**A BILL FOR**

1 An Act relating to water quality improvement, by providing  
2 for water quality programs, projects, and practices, the  
3 certification of conservation planners, the use or transfer  
4 of fertilizer fees, and the approval of designs for soil  
5 and water conservation practices, making appropriations to  
6 support environmental specialists, and reducing property  
7 taxes on land reserved for conservation practices.

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

DIVISION I  
WATER POLLUTION REDUCTION PROJECTS  
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY  
IOWA NUTRIENT RESEARCH CENTER

Section 1. Section 466B.47, Code 2016, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. The center may sponsor or support projects to reduce water pollution, including projects that reduce the transport of nutrients to surface water from nonpoint sources within watersheds in accordance with 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. The projects may also implement findings or recommendations of the college of agriculture and life sciences of Iowa state university of science and technology, including those findings and recommendations submitted to the general assembly pursuant to 2015 Iowa Acts, chapter 132, section 18.

DIVISION II  
CONSERVATION PLANNING CERTIFICATION FOR AGRIBUSINESS PROGRAM  
IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY  
IOWA COOPERATIVE EXTENSION SERVICE FOR AGRICULTURE AND HOME ECONOMICS

Sec. 2. NEW SECTION. 266.35A Conservation planning certification for agribusiness program.

1. The Iowa cooperative extension service for agriculture and home economics shall develop and administer a conservation planning certification for agribusiness program. The program shall, to every extent practicable, be based on the same criteria used by the United States department of agriculture to certify persons as conservation planners under 7 C.F.R. pt. 1469. When developing and implementing the program, the extension service shall, to every extent practicable, consult with the United States department of agriculture, natural

1 resources conservation service. Participation in the program  
2 is voluntary. The program shall be designed to provide program  
3 participants with information and materials regarding practical  
4 management practices that optimize nitrogen and phosphorus use  
5 within crop fields and reduce downstream nutrient loading, in a  
6 scientific, reasonable, and cost-effective manner.

7 2. A person seeking to obtain or maintain a certification  
8 under the program must complete an annual number of hours  
9 of instruction as determined by the extension service. The  
10 extension service may offer a person the option of passing  
11 an examination as a method to become certified in lieu of  
12 completing all of the instructional hours. However, a person  
13 shall not be required to pass an examination in order to become  
14 certified. The extension service may provide the required  
15 hours of instruction via an internet site maintained by Iowa  
16 state university of science and technology.

17 3. The extension service shall establish and adjust  
18 certification fees based on the costs of developing and  
19 administering the program. Any fees received by the service  
20 shall be deemed repayment receipts as defined in section 8.2.

21 DIVISION III

22 HIGH-PRIORITY WATERSHEDS AND WATER QUALITY INITIATIVE FUND —

23 FERTILIZER FEES

24 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP, SOIL AND WATER  
25 CONSERVATION DIVISION

26 Sec. 3. Section 200.9, Code 2016, is amended to read as  
27 follows:

28 **200.9 Fertilizer fees.**

29 1. Fees collected for licenses and ~~inspection fees~~  
30 inspections under [sections 200.4](#) and [200.8](#), with the exception  
31 of those fees collected for deposit in the agriculture  
32 management account of the groundwater protection fund, shall  
33 be deposited in the general fund of the state and shall  
34 be subject to the requirements of [section 8.60](#). Moneys  
35 deposited under [this section](#) ~~to~~ in the general fund shall

1 are appropriated to the department to be used only by the  
2 department for the purpose of inspection, sampling, analysis,  
3 preparation, and publishing of reports and other expenses  
4 necessary for administration of this chapter. The secretary  
5 may assign moneys to the Iowa agricultural experiment station  
6 for research, work projects, and investigations as needed for  
7 the specific purpose of improving the regulatory functions for  
8 enforcement of this chapter.

9 2. Notwithstanding subsection 1, the moneys appropriated  
10 to the department under that subsection may be used by the  
11 division of soil conservation and water quality to administer  
12 water quality projects and programs in high-priority watersheds  
13 identified by the water resources coordinating council pursuant  
14 to section 466B.3, including salaries, support, maintenance,  
15 and other miscellaneous purposes. The secretary may also  
16 transfer the moneys to the water quality initiative fund  
17 established pursuant to section 466B.45 for use as described in  
18 that section.

19 DIVISION IV

20 INNOVATIVE PROJECTS — WATER QUALITY INITIATIVE FUND

21 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP, SOIL AND WATER

22 CONSERVATION DIVISION

23 Sec. 4. NEW SECTION. 466B.46 Innovation project — grants.

24 The division shall award grants to support innovative  
25 projects for the development of new and improved practices or  
26 technologies to reduce the transport of nutrients to surface  
27 waters from nonpoint sources. The new or improved practices  
28 or technologies must be able to be implemented within a  
29 reasonable period of time and in a scientific, reasonable,  
30 and cost-effective manner. The division shall make awards  
31 from moneys deposited into the fund. Total awards made by the  
32 division to support all innovative projects shall not exceed  
33 fifty thousand dollars during any fiscal year.

34 DIVISION V

35 QUALIFYING SOIL AND WATER CONSERVATION PRACTICES

1 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP, SOIL AND WATER  
2 CONSERVATION DIVISION AND SOIL AND WATER CONSERVATION DISTRICTS

3 Sec. 5. NEW SECTION. 161A.55 **Qualifying practices —**  
4 **eligibility for cost-share moneys.**

5 1. A landowner may submit a design to the district for a  
6 voluntary qualifying permanent soil and water conservation  
7 practice to be established on the landowner's land for approval  
8 by the district.

9 2. The division shall adopt rules as necessary to administer  
10 this section, which shall include at least all of the  
11 following:

12 a. Design standards and specifications. The division shall  
13 adopt in whole or in part the standards and specifications of  
14 the United States department of agriculture, natural resources  
15 conservation service.

16 b. A process to approve designs for qualifying practices,  
17 which may be established by a person having a practical  
18 knowledge of land use and row crop farming, that are relatively  
19 inexpensive to establish and maintain, and that remain highly  
20 effective for a long period of time.

21 c. A schedule of amounts of cost-share moneys or other  
22 financing available under this chapter that may be used to  
23 finance specific qualifying practices.

24 3. The commissioners are not required to provide for the  
25 submission of bids to establish a qualifying practice, unless  
26 otherwise provided in rules adopted by the division.

27 4. A landowner shall not receive cost-share moneys for  
28 preparing or submitting a design to a district.

29 Sec. 6. Section 542B.2, subsection 9, Code 2016, is amended  
30 by adding the following new paragraph:

31 NEW PARAGRAPH. c. Notwithstanding paragraphs "a" and  
32 "b", a person shall not be construed to be engaged in the  
33 practice of engineering if the person constructs or establishes  
34 a qualifying permanent soil and water conservation practice  
35 pursuant to section 161A.55.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

DIVISION VI  
ADDITIONAL ENVIRONMENTAL SPECIALISTS  
DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP, SOIL AND WATER  
CONSERVATION DIVISION

Sec. 7. ADDITIONAL ENVIRONMENTAL SPECIALISTS POSITIONS.

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:

1. For purposes of supporting additional environmental specialists within the department's soil and water conservation division in order to administer water quality projects and programs in high-priority watersheds identified by the water resources coordinating council pursuant to section 466B.3, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,000,000
.....	FTEs	30.00

2. The department shall convert contract positions referred to as project coordinators and associated with assessing and reducing nutrients in this state's watersheds to the full-time equivalent environmental specialist positions described in subsection 1.

3. For the fiscal year beginning July 1, 2016, and ending June 30, 2017, the department may also provide support for the full-time equivalent environmental specialist positions described in subsection 1 from other moneys available to the department that are not expressly appropriated for another purpose.

DIVISION VII  
PRIORITIZING WATERSHED FUNDING  
DEPARTMENT OF NATURAL RESOURCES AND  
WATER RESOURCES COORDINATING COUNCIL

1 Sec. 8. Section 456A.33A, Code 2016, is amended to read as  
2 follows:

3 **456A.33A Watershed priority.**

4 1. The commission shall ~~each year~~ establish and maintain  
5 a priority list of watersheds which are of highest importance  
6 based on ~~soil~~ all of the following:

7 a. Soil loss, to be used for the allocation of moneys set  
8 aside in annual appropriations from the general fund to the  
9 department of agriculture and land stewardship for permanent  
10 soil conservation practices under [chapter 161A](#) on watersheds  
11 above publicly owned lakes.

12 b. An evaluation of economic and quality-of-life factors  
13 that contribute to the watershed's comparative value to  
14 the state and local communities located in the watershed,  
15 including the populations served by the watershed, the use of  
16 the watershed as a source of drinking water, the existence  
17 of a rare or valuable ecological system, and recreational  
18 opportunities associated with the watershed.

19 2. [Chapter 17A](#) does not apply to [this section](#).

20 Sec. 9. Section 466B.3, subsection 6, paragraph b,  
21 subparagraph (8), Code 2016, is amended to read as follows:

22 (8) Develop a protocol which identifies high-priority  
23 watersheds, including local and community-based subwatersheds,  
24 and which appropriately directs resources to those watersheds.  
25 The protocol shall consider economic and quality-of-life  
26 factors that contribute to the watershed's comparative value  
27 to the state and local communities located in the watershed,  
28 including the population served by the watershed, the use of  
29 the watershed as a source of drinking water, the existence  
30 of a rare or valuable ecological system, and recreational  
31 opportunities associated with the watershed.

32 DIVISION VIII

33 PROPERTY TAX REDUCTION TO SUPPORT WATER QUALITY PRACTICES

34 Sec. 10. Section 441.21, Code 2016, is amended by adding the  
35 following new subsection:

1     NEW SUBSECTION. 4A. a. Notwithstanding other provisions  
2 in this section to the contrary, for valuations established on  
3 or after January 1, 2017, property classified as residential  
4 property, agricultural property, commercial property,  
5 industrial property, multiresidential property, property  
6 valued by the department of revenue pursuant to chapter  
7 434, and property valued by the department of revenue  
8 pursuant to chapters 428, 433, 437, and 438 in each assessing  
9 jurisdiction in the county, and which is used for soil and  
10 water conservation purposes, shall be assessed at ten percent  
11 of the actual value established for that property.

12     b. Property used for soil and water conservation purposes  
13 under paragraph "a" is limited to parcels or segments of parcels  
14 of the property that utilize a system or practice that reduces  
15 the transport of sediment, nutrients, or contaminants to a  
16 surface water. To be eligible for the reduction in assessed  
17 value a parcel or segment of a parcel must include one or more  
18 of the following:

19     (1) A bioreactor system, which is part of or connected to a  
20 working subsurface field drainage tile line, that is utilized  
21 to reduce sediment, nutrient, or contaminant loading in water  
22 transported in the tile line. The parcel or segment of the  
23 parcel qualifying for the reduction shall not be more than  
24 three acres in size.

25     (2) A filter buffer strip that is an area of permanent  
26 vegetation cover utilized to reduce sediment, nutrient, or  
27 contaminant loading associated with runoff. The parcel or  
28 segment of the parcel qualifying for the reduction may extend  
29 any distance along the edge of a surface water but shall not  
30 extend more than thirty feet from the edge of the surface water  
31 to that portion of the agricultural property used for producing  
32 crops.

33     (3) A prairie conservation strip integrating perennial  
34 prairie grass strips into agricultural property used for  
35 producing crops, and utilized to reduce erosion and the



1 transport of sediment, nutrients, or contaminants downslope.  
2 The parcel or segment of the parcel qualifying for the  
3 reduction shall not exceed ten percent of the agricultural  
4 property's acreage.

5 (4) A restored wetland that is mostly underwater or  
6 waterlogged during the growing season, and characterized by  
7 vegetation of hydric soils. The parcel or segment of the  
8 parcel qualifying for the reduction shall not exceed ten acres.

9 c. The county assessor shall require an owner of the  
10 agricultural property to submit documentation regarding  
11 the amount of agricultural property used for soil and water  
12 conservation purposes.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with  
15 the explanation's substance by the members of the general assembly.

16 GENERAL. This bill provides for the assessment and  
17 reduction of nutrients in this state's watersheds and for soil  
18 and water conservation and water quality practices established  
19 on real property, including agricultural land. The bill amends  
20 or creates a number of programs administered by or entities  
21 associated with the following: Iowa state university of  
22 science and technology (ISU), including the Iowa cooperative  
23 extension service for agriculture and home economics (extension  
24 service), and the Iowa nutrient research center (center);  
25 the department of agriculture and land stewardship (DALs),  
26 including its soil and water conservation division (division)  
27 and soil and water conservation districts (districts)  
28 associated with the division; the department of natural  
29 resources (DNR); and the water resources coordinating council  
30 (WRCC). The bill also provides for these entities' cooperation  
31 with the United States department of agriculture, natural  
32 resources conservation service (NRCS). The bill appropriates  
33 moneys to DALs for use by the division in administering water  
34 quality projects and programs in this state's watersheds and  
35 for deposit into the water quality initiative fund (WQIF). The

1 bill also provides for a reduction of property taxes assessed  
2 on property that is reserved for soil and water conservation  
3 practices.

4 WATER POLLUTION REDUCTION PROJECTS. The bill authorizes  
5 the center to sponsor or support water quality projects that  
6 reduce water pollution, including the transport of nutrients  
7 to surface water from nonpoint sources. The purpose of the  
8 center is to carry out the state's water quality initiative  
9 by pursuing a science-based approach to nutrient management  
10 research. Currently, the center is supported by an annual  
11 appropriation (see 2015 Iowa Acts, ch. 132, sections 17 and  
12 40).

13 CONSERVATION PLANNING CERTIFICATION FOR AGRIBUSINESS  
14 PROGRAM. The bill requires the extension service to  
15 develop and administer a conservation planning certification  
16 for agribusiness program. The program is to be based  
17 on educational requirements established by NRCS for its  
18 certification of conservation planners. The extension service  
19 may establish a fee at an amount determined by the extension  
20 service based on the costs of developing and administering the  
21 program. The extension service is entitled to retain fees  
22 collected under the program as repayment receipts.

23 HIGH-PRIORITY WATERSHEDS AND WQIF FUNDING — FERTILIZER  
24 FEES. The bill provides that license and inspection fees paid  
25 by persons who manufacture, blend, or distribute fertilizers  
26 and soil conditioners and deposited in the general fund for use  
27 by DALs in regulating the sale and use of fertilizers and soil  
28 conditioners may instead be used by the division to administer  
29 water quality projects and programs in high-priority watersheds  
30 identified by the WRRC. The secretary of agriculture may also  
31 transfer the moneys to the WQIF. The bill does not affect  
32 fertilizer fees that are required to be deposited into the  
33 agriculture management account of the groundwater protection  
34 fund.

35 INNOVATIVE PROJECTS — WQIF. The bill authorizes the

1 division to use moneys available in the WQIF to support  
2 grants awarded to persons to support the development of new or  
3 improved practices or technologies that reduce the transport of  
4 nutrients to surface waters from nonpoint sources. However,  
5 the division cannot award more than \$50,000 in grants from the  
6 WQIF to support all projects during any fiscal year.

7       DESIGNS FOR QUALIFYING SOIL AND WATER CONSERVATION  
8 PRACTICES. The bill authorizes a landowner of a district to  
9 submit a design for approval by a district for a qualifying  
10 voluntary permanent soil conservation practice eligible for  
11 cost-share or other forms of available state financing. The  
12 design standards adopted by the division must meet NRCS  
13 standards and specifications. The qualifying practice used in  
14 approved designs must be able to be established by a person  
15 having a practical knowledge of land use and row crop farming,  
16 be relatively inexpensive to establish and maintain, and be  
17 highly effective for a long period of time. The commissioners  
18 are not required to provide for the submission of bids unless  
19 the division otherwise requires a submission. A landowner is  
20 not entitled to receive cost-share or other state financing for  
21 preparing or submitting a design.

22       ENVIRONMENTAL SPECIALISTS. The bill appropriates moneys  
23 from the general fund to support additional full-time  
24 equivalent environmental specialist positions within the  
25 division. The specialists are to administer water quality  
26 projects and programs in high-priority watersheds. DALs must  
27 convert contract positions referred to as project coordinators  
28 and currently associated with assessing and reducing nutrients  
29 in district watersheds to full-time equivalent environmental  
30 specialist positions. The new environmental specialist  
31 positions are to administer water quality projects and programs  
32 in high-priority watersheds identified by the WRCC. DALs  
33 may use other available moneys to support the new full-time  
34 equivalent positions.

35       PRIORITIZING WATERSHED FUNDING. The bill provides that

1 when making funding decisions to improve water quality in  
2 watersheds, the DNR and the WRCC must, in their respective  
3 priority evaluations, account for economic and quality-of-life  
4 factors that contribute to the watershed's comparative value to  
5 the state and local communities located in the watershed.

6       PROPERTY TAX REDUCTION. The bill provides that property  
7 used for soil and water conservation purposes is assessed at  
8 10 percent of the actual value established for the property.  
9 Property eligible for the reduction in actual value for  
10 assessment purposes is limited to a parcel or a segment of  
11 a parcel of property that utilizes a system or practice that  
12 reduces the transport of sediment, nutrients, or contaminants  
13 to surface water. The county assessor must require the owner  
14 of the property to submit documentation regarding the amount of  
15 property used for soil and water conservation purposes.