

**House Study Bill 217 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
REVENUE BILL)

**A BILL FOR**

1 An Act relating to the policy administration of the tax and  
2 related laws by the department of revenue.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

SALES AND USE TAXES

Section 1. Section 423.3, subsection 8, paragraph d, Code 2015, is amended to read as follows:

d. (1) For purposes of this subsection, the following items are exempt under paragraph "a" when used primarily in agricultural production:

(a) A diesel fuel trailer, regardless of the vehicle to which it is to be attached.

(b) A seed tender, regardless of the vehicle to which it is to be attached.

(c) An all-terrain vehicle.

(d) An off-road utility vehicle.

(2) For purposes of this paragraph:

(a) "All-terrain vehicle" means the same as defined in section 321I.1.

~~(a)~~ (b) "Fuel trailer" means a trailer that holds dyed diesel fuel or diesel exhaust fluid and that is used to transport such fuel or fluid to a self-propelled implement of husbandry.

(c) "Off-road utility vehicle" means the same as defined in section 321I.1.

~~(b)~~ (d) "Seed tender" means a trailer that holds seed and that is used to transport seed to an implement of husbandry and load seed into an implement of husbandry.

DIVISION II

FLOOD MITIGATION BOARD

Sec. 2. Section 418.5, subsections 1 and 6, Code 2015, are amended to read as follows:

1. The flood mitigation board is established consisting of nine voting members and ~~four~~ five ex officio, nonvoting members, and is located for administrative purposes within the department. The director of the department shall provide office space, staff assistance, and necessary supplies and equipment for the board. The director shall budget funds to

1 pay the necessary expenses of the board. In performing its  
2 functions, the board is performing a public function on behalf  
3 of the state and is a public instrumentality of the state.

4 6. The board's ex officio membership shall ~~include~~ be  
5 comprised of the following:

6 a. ~~four~~ Four members of the general assembly with one  
7 each appointed by the majority leader of the senate, the  
8 minority leader of the senate, the speaker of the house of  
9 representatives, and the minority leader of the house of  
10 representatives. A legislative member serves for a term as  
11 provided in section 69.16B in an ex officio, nonvoting capacity  
12 and is eligible for per diem and expenses as provided in  
13 section 2.10.

14 b. The director of revenue or the director's designee.

15 EXPLANATION

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

18 This bill relates to the policy administration of the tax and  
19 related laws by the department of revenue.

20 DIVISION I — SALES AND USE TAXES. Division I exempts  
21 the sales price of all-terrain vehicles and off-road utility  
22 vehicles used primarily in agricultural production from the  
23 sales and use tax. Under current law, such vehicles are not  
24 exempt from sales and use tax unless they are directly and  
25 primarily used in production of agricultural products.

26 "All-terrain vehicle" means a motorized vehicle with not  
27 less than three and not more than six nonhighway tires that  
28 is limited in engine displacement to less than 1,000 cubic  
29 centimeters and in total dry weight to less than 1,200 pounds  
30 and that has a seat or saddle designed to be straddled by the  
31 operator and handlebars for steering control.

32 "Off-road utility vehicle" means a motorized vehicle with  
33 not less than four and not more than eight nonhighway tires or  
34 rubberized tracks that has a seat that is of bucket or bench  
35 design, not intended to be straddled by the operator, and a

1 steering wheel or control levers for control.

2 By operation of Code section 423.6, an item exempt from the  
3 imposition of the sales tax is also exempt from the use tax  
4 imposed in Code section 423.5.

5 DIVISION II — FLOOD MITIGATION BOARD. Division II adds  
6 the director of revenue, or a designee of the director, as an  
7 ex officio, nonvoting member of the flood mitigation board  
8 created in Code chapter 418. The flood mitigation board is  
9 currently composed of nine voting members and four ex officio,  
10 nonvoting members who are members of the general assembly, and  
11 is responsible for overseeing the flood mitigation program  
12 administered by the department of homeland security and  
13 emergency management.