

House File 2334 - Introduced

HOUSE FILE 2334

BY STAED

(COMPANION TO SF 2161 BY HOGG)

A BILL FOR

1 An Act relating to activities associated with agriculture,
2 natural resources, and the environment, including by
3 increasing the sales and use tax rates, transferring moneys
4 to the natural resources and outdoor recreation trust
5 fund, funding certain government entities and initiatives,
6 providing for an Iowa water policy, establishing water
7 quality and water management objectives, goals, and
8 benchmarks, regulating confinement feeding operations,
9 making appropriations, and including effective date and
10 applicability provisions.

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

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DIVISION I

NATURAL RESOURCES AND OUTDOOR RECREATION ACT

Section 1. Section 423.2, subsection 1, unnumbered paragraph 1, Code 2018, is amended to read as follows:

There is imposed a tax of six and three-eighths percent upon the sales price of all sales of tangible personal property, consisting of goods, wares, or merchandise, sold at retail in the state to consumers or users except as otherwise provided in [this subchapter](#).

Sec. 2. Section 423.2, subsections 2 and 3, Code 2018, are amended to read as follows:

2. A tax of six and three-eighths percent is imposed upon the sales price of the sale or furnishing of gas, electricity, water, heat, pay television service, and communication service, including the sales price from such sales by any municipal corporation or joint water utility furnishing gas, electricity, water, heat, pay television service, and communication service to the public in its proprietary capacity, except as otherwise provided in [this subchapter](#), when sold at retail in the state to consumers or users.

3. A tax of six and three-eighths percent is imposed upon the sales price of all sales of tickets or admissions to places of amusement, fairs, and athletic events except those of elementary and secondary educational institutions. A tax of six and three-eighths percent is imposed on the sales price of an entry fee or like charge imposed solely for the privilege of participating in an activity at a place of amusement, fair, or athletic event unless the sales price of tickets or admissions charges for observing the same activity are taxable under this subchapter. A tax of six and three-eighths percent is imposed upon that part of private club membership fees or charges paid for the privilege of participating in any athletic sports provided club members.

Sec. 3. Section 423.2, subsection 4, paragraph a, Code 2018, is amended to read as follows:

1 a. A tax of six and three-eighths percent is imposed upon
2 the sales price derived from the operation of all forms of
3 amusement devices and games of skill, games of chance, raffles,
4 and bingo games as defined in [chapter 99B](#), and card game
5 tournaments conducted under [section 99B.27](#), that are operated
6 or conducted within the state, the tax to be collected from
7 the operator in the same manner as for the collection of taxes
8 upon the sales price of tickets or admission as provided in
9 this section. Nothing in [this subsection](#) shall legalize any
10 games of skill or chance or slot-operated devices which are now
11 prohibited by law.

12 Sec. 4. Section 423.2, subsection 5, Code 2018, is amended
13 to read as follows:

14 5. There is imposed a tax of six and three-eighths percent
15 upon the sales price from the furnishing of services as defined
16 in [section 423.1](#).

17 Sec. 5. Section 423.2, subsection 7, paragraph a,
18 unnumbered paragraph 1, Code 2018, is amended to read as
19 follows:

20 A tax of six and three-eighths percent is imposed upon the
21 sales price from the sales, furnishing, or service of solid
22 waste collection and disposal service.

23 Sec. 6. Section 423.2, subsection 8, paragraph a, Code 2018,
24 is amended to read as follows:

25 a. A tax of six and three-eighths percent is imposed on
26 the sales price from sales of bundled transactions. For the
27 purposes of [this subsection](#), a "bundled transaction" is the
28 retail sale of two or more distinct and identifiable products,
29 except real property and services to real property, which
30 are sold for one nonitemized price. A "bundled transaction"
31 does not include the sale of any products in which the sales
32 price varies, or is negotiable, based on the selection by the
33 purchaser of the products included in the transaction.

34 Sec. 7. Section 423.2, subsection 9, Code 2018, is amended
35 to read as follows:

1 9. A tax of six and three-eighths percent is imposed upon
 2 the sales price from any mobile telecommunications service,
 3 including all paging services, that this state is allowed
 4 to tax pursuant to the provisions of the federal Mobile
 5 Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C.
 6 §116 et seq. For purposes of [this subsection](#), taxes on mobile
 7 telecommunications service, as defined under the federal Mobile
 8 Telecommunications Sourcing Act that are deemed to be provided
 9 by the customer's home service provider, shall be paid to
 10 the taxing jurisdiction whose territorial limits encompass
 11 the customer's place of primary use, regardless of where the
 12 mobile telecommunications service originates, terminates,
 13 or passes through and shall in all other respects be taxed
 14 in conformity with the federal Mobile Telecommunications
 15 Sourcing Act. All other provisions of the federal Mobile
 16 Telecommunications Sourcing Act are adopted by the state of
 17 Iowa and incorporated into [this subsection](#) by reference. With
 18 respect to mobile telecommunications service under the federal
 19 Mobile Telecommunications Sourcing Act, the director shall, if
 20 requested, enter into agreements consistent with the provisions
 21 of the federal Act.

22 Sec. 8. Section 423.2, subsection 11, paragraph b,
 23 subparagraph (2), Code 2018, is amended to read as follows:

24 (2) Transfer from the remaining revenues the amounts
 25 required under Article VII, section 10, of the Constitution
 26 of the State of Iowa to the natural resources and outdoor
 27 recreation trust fund created in [section 461.31](#), ~~if applicable~~.

28 Sec. 9. Section 423.2, subsection 14, Code 2018, is amended
 29 to read as follows:

30 14. The sales tax rate of six and three-eighths percent is
 31 reduced to five and three-eighths percent on January 1, 2030.

32 Sec. 10. Section 423.5, subsection 1, unnumbered paragraph
 33 1, Code 2018, is amended to read as follows:

34 Except as provided in paragraph "c", an excise tax at the
 35 rate of six and three-eighths percent of the purchase price or

1 installed purchase price is imposed on the following:

2 Sec. 11. Section 423.5, subsection 5, Code 2018, is amended
3 to read as follows:

4 5. The use tax rate of six and three-eighths percent is
5 reduced to five and three-eighths percent on January 1, 2030.

6 Sec. 12. Section 423.43, subsection 1, paragraph b, Code
7 2018, is amended to read as follows:

8 b. Subsequent to the deposit into the general fund of the
9 state ~~and after the transfer of such~~ pursuant to paragraph "a",
10 the department shall do the following in the order prescribed:

11 (1) Transfer the revenues collected under chapter 423B, ~~the~~
12 ~~department shall transfer one-sixth.~~

13 (2) Transfer fifteen and six thousand eight hundred
14 sixty-three ten-thousandths percent of such remaining revenues
15 to the secure an advanced vision for education fund created in
16 section 423F.2. This ~~paragraph~~ subparagraph (2) is repealed
17 December 31, 2029.

18 Sec. 13. PURPOSE. The purpose of this division is to
19 provide for the implementation of Article VII, section 10, of
20 the Constitution of the State of Iowa by fully funding the
21 natural resources and outdoor recreation trust fund as created
22 in section 461.31, pursuant to Article VII, section 10, of the
23 Constitution of the State of Iowa.

24 Sec. 14. EFFECTIVE DATE. This division of this Act takes
25 effect on January 1, 2019.

26 DIVISION II

27 LEOPOLD CENTER FOR SUSTAINABLE AGRICULTURE — APPROPRIATIONS

28 Sec. 15. NEW SECTION. 266.39D **Leopold center for**
29 **sustainable agriculture — appropriations.**

30 There is appropriated from the general fund of the state
31 to Iowa state university, for the fiscal year beginning July
32 1, 2018, and for each subsequent fiscal year, the sum of one
33 million seven hundred fifty thousand dollars to be allocated
34 to the Leopold center for sustainable agriculture established
35 in section 266.39 to carry out the provisions described in

1 sections 266.39 through 266.39B.

2 DIVISION III

3 IOWA FLOOD CENTER — APPROPRIATIONS

4 Sec. 16. NEW SECTION. **466C.2 Iowa flood center —**
5 **appropriation.**

6 There is appropriated from the general fund of the state to
7 the state board of regents, for the fiscal year beginning July
8 1, 2018, and for each subsequent fiscal year, the sum of one
9 million five hundred thousand dollars to be allocated to the
10 Iowa flood center established pursuant to section 466C.1.

11 DIVISION IV

12 FLOOD MITIGATION — APPROPRIATION

13 Sec. 17. NEW SECTION. **418.10A Flood mitigation —**
14 **appropriation.**

15 There is appropriated from the general fund of the state to
16 the department of homeland security and emergency management,
17 for the fiscal year beginning July 1, 2018, and for each
18 subsequent fiscal year, the sum of four million dollars to
19 be deposited in the flood mitigation fund created in section
20 418.10.

21 DIVISION V

22 IOWA WATER POLICY ACT

23 Sec. 18. Section 266.39A, Code 2018, is amended to read as
24 follows:

25 **266.39A Agricultural research.**

26 1. Iowa state university of science and technology shall
27 conduct continuing agricultural research to provide information
28 about ~~environmental~~ all of the following:

29 a. Environmental and social impacts of agricultural research
30 on the small or family farm and information about population
31 trends and impact of the trends on Iowa agriculture, in
32 addition to research that may include the categories specified
33 in section 266.39B, subsection 2.

34 b. The results of research to advance the Iowa water policy,
35 including the purposes described in the policy's water quality

1 category and water management category as provided in section
2 466D.201.

3 2. The research shall include an agricultural land tenure
4 study conducted every five years to determine the ownership
5 of farmland, and to analyze ownership trends, using the
6 categories of land ownership defined in **chapter 9H**. The study
7 shall be conducted on the basis of regions established by
8 the university. A region shall be composed of not more than
9 twenty-three contiguous counties.

10 Sec. 19. NEW SECTION. **266.39C Leopold center for**
11 **sustainable agriculture — Iowa water policy.**

12 The Leopold center for sustainable agriculture shall
13 cooperate with the Iowa water commission created in section
14 466D.202 in order to advance the Iowa water policy as provided
15 in section 466D.201, including in assisting in evaluating and
16 conducting research regarding sustainable water initiatives as
17 provided in section 466D.303.

18 Sec. 20. Section 466B.3, subsection 4, Code 2018, is amended
19 by adding the following new paragraph:

20 NEW PARAGRAPH. *m.* The chairperson of the Iowa water
21 commission created in section 466D.202.

22 Sec. 21. NEW SECTION. **466C.2 Iowa water policy.**

23 The Iowa flood center shall cooperate with the Iowa water
24 commission created in section 466D.202 in order to advance the
25 Iowa water policy as provided in section 466D.201, including
26 in assisting in evaluating and conducting research regarding
27 sustainable water initiatives as provided in section 466D.303.

28 Sec. 22. NEW SECTION. **466D.101 Short title.**

29 This chapter may be known and shall be cited as the "*Iowa*
30 *Water Policy Act*".

31 Sec. 23. NEW SECTION. **466D.102 Definitions.**

32 As used in this section, unless the context otherwise
33 requires:

34 1. "*Authority*" means a watershed management authority
35 recognized pursuant to section 466B.22.

1 2. "*Commission*" means the Iowa water commission created in
2 section 466D.202.

3 3. "*Comprehensive state water plan*" or "*plan*" means the
4 document described in section 466D.302.

5 4. "*Department*" means the department of natural resources
6 as created in section 455A.2.

7 5. "*Flood center*" means the Iowa flood center established
8 pursuant to section 466C.1.

9 6. "*High-quality water resource*" means that part of a
10 surface water source or wetland that the department has
11 designated as any of the following:

12 a. A high-quality water (Class "HQ") or a high-quality
13 resource water (Class "HQR") according to 567 IAC ch. 61, in
14 effect on January 1, 2001.

15 b. A protected water area system, according to a state plan
16 adopted by the department in effect on January 1, 2001.

17 7. "*Iowa water center*" means the entity by that name housed
18 within Iowa state university of science and technology that is
19 overseen by the United States geological survey pursuant to 42
20 U.S.C. §10301 et seq.

21 8. "*Leopold center*" means the Leopold center for sustainable
22 agriculture created in section 266.39.

23 9. "*Nutrient*" means nitrogen or phosphorus.

24 10. "*Sustainable water initiative*" or "*initiative*" means
25 any program, policy, or practice that furthers the Iowa water
26 policy as provided in section 466D.201.

27 11. "*Water resources*" means surface waters, including waters
28 of the state as defined in section 455B.381 and groundwater as
29 defined in section 455E.2.

30 Sec. 24. NEW SECTION. 466D.201 Iowa water policy and water
31 quality objectives.

32 1. This state hereby adopts an Iowa water policy.

33 2. As its Iowa water policy, the state declares it is in
34 its vital interest to protect and secure water resources by
35 advancing water sustainability as provided in this chapter.

1 Water sustainability is divided into the following categories:

2 *a.* A water quality category, which includes the need to
3 preserve, restore, and enhance the quality of surface water and
4 groundwater in this state, protect human health, agricultural
5 productivity, and outdoor recreation, use, and enjoyment.

6 *b.* A water management category, which includes the need
7 to prepare for and confront the immediate and prolonged
8 consequences to human health and property caused by a flood or
9 drought, including by reducing the risk of property damages and
10 mitigating actual damages.

11 3. It is the objective of the state to reduce nitrogen and
12 phosphorus loads contributed to this state's surface water
13 sources by the following schedule of cumulative percentages:

14 *a.* For the period beginning July 1, 2016, and ending June
15 30, 2024, twenty percent.

16 *b.* For the period beginning July 1, 2020, and ending June
17 30, 2028, thirty-two percent.

18 *c.* For the period beginning July 1, 2024, and ending June
19 30, 2033, forty-five percent.

20 4. The commission, in cooperation with the Leopold center,
21 shall develop methods and procedures required to measure
22 and assess water quality for water resources, and may adopt
23 additional objectives in the public interest.

24 Sec. 25. NEW SECTION. 466D.202 Iowa water commission —
25 creation and membership.

26 1. An Iowa water commission is created in the department of
27 natural resources. Upon request, the commission shall receive
28 staffing assistance from the department of agriculture and land
29 stewardship described in chapter 159 and the department of
30 homeland security and emergency management created in section
31 29C.5.

32 2. The commission shall be composed of seven members who
33 shall be appointed by the governor. The members shall have
34 expertise and experience in areas of hydrology, engineering,
35 agriculture, soil conservation and water quality, environmental

1 sciences, public health, and state or local policy.

2 3. Appointments to the commission are subject to the
3 requirements of sections 69.16 and 69.16A. A governor's
4 appointee must be confirmed by the senate, pursuant to section
5 2.32.

6 4. The members shall serve five-year terms beginning and
7 ending as provided in section 69.19. However, the governor
8 shall appoint initial members to serve for less than five years
9 to ensure members serve staggered terms. A member is eligible
10 for reappointment. A vacancy on the board shall be filled for
11 the unexpired portion of the regular term in the same manner as
12 regular appointments are made.

13 5. The governor shall appoint the chairperson from among the
14 commission's members each year. The commission shall meet on
15 a regular basis and at the call of the chairperson or upon the
16 written request to the chairperson of three or more members.

17 6. Members of the commission are not entitled to receive
18 compensation but shall receive reimbursement of expenses from
19 the department as provided in section 7E.6.

20 7. Four members of the commission constitute a quorum and
21 the affirmative vote of a majority of the members present
22 is necessary for any substantive action to be taken by the
23 commission. The commission shall not include any member who
24 has a conflict of interest and a statement by a member that
25 the member has a conflict of interest is conclusive for this
26 purpose. A vacancy in the membership does not impair the
27 duties of the commission.

28 **Sec. 26. NEW SECTION. 466D.204 Iowa water commission —**
29 **cooperation and assistance.**

30 1. The commission shall cooperate with the Leopold center,
31 the flood center, and the Iowa water center in advancing the
32 Iowa water policy as provided in section 466D.201, including by
33 carrying out the provisions of this chapter.

34 2. Upon request, the commission shall receive assistance
35 from state and local governments and other entities, including

1 but not limited to the department of natural resources as
2 created in section 455A.2, the department of agriculture and
3 land stewardship as described in chapter 159, the university
4 of Iowa as described in chapter 263, Iowa state university
5 of science and technology as described in chapter 266, the
6 department of homeland security and emergency management as
7 created in section 29C.5, the water resources coordinating
8 council as established in section 466B.3, watershed management
9 authorities recognized pursuant to section 466B.22, the Iowa
10 nutrient research center established pursuant to section
11 466B.47, and the Iowa nutrient research center advisory council
12 established pursuant to section 466B.48.

13 Sec. 27. NEW SECTION. 466D.301 **Water quality — baseline —**
14 **goals and benchmarks — standards.**

15 1. The commission shall maintain a database of surface water
16 quality measurements within this state based on water samples
17 collected by federal and state government entities and private
18 persons. The database shall be based on information prepared
19 by the Mississippi river/gulf of Mexico watershed nutrient
20 task force, the United States national oceanic and atmospheric
21 administration, and the United States geological survey.

22 2. The commission shall establish a baseline for the years
23 1980 to 1996, and may establish other baselines in order to
24 measure an increase or decrease in nitrates and phosphorus in
25 surface water sources.

26 3. The commission shall establish goals and benchmarks
27 to reduce nitrogen and phosphorus loads contributed to
28 this state's surface water sources by point and nonpoint
29 sources. The commission shall establish and revise short-term
30 and long-term water quality impairment reduction goals or
31 benchmarks on a local, regional, and statewide level. The
32 commission may establish special benchmarks for reducing
33 nitrogen and phosphorus loads contributed to any of the
34 following:

35 a. A priority watershed or subwatershed identified by the

1 commission.

2 *b.* A priority stream or stream segment identified by the
3 commission.

4 *c.* A high-quality water resource.

5 Sec. 28. NEW SECTION. **466D.302 Comprehensive state water**
6 **plan and updates.**

7 1. The commission, in cooperation with the Leopold center,
8 the flood center, and Iowa water center, shall prepare a
9 long-range comprehensive state water plan including for
10 each category of the Iowa water policy advancing water
11 sustainability as described in section 466D.201. The plan
12 shall have a minimum five-year forecast period. The plan shall
13 provide for beneficial uses of this state's water resources,
14 including all of the following:

15 *a.* Public and private drinking water and wastewater
16 services.

17 *b.* Agricultural, residential, municipal, commercial,
18 industrial, and recreational uses.

19 *c.* Fish and wildlife habitat.

20 *d.* Recreational uses.

21 *e.* Floodplain management and wetland management.

22 2. The plan shall account for factors and trends that are
23 projected to impact the uses described in subsection 1 and
24 current and developing methods and technologies that may assist
25 in achieving the objective provided in section 466D.201 and
26 goals or benchmarks established pursuant to section 466D.301.
27 The plan shall include detailed information necessary
28 to determine the state's ongoing progress, and necessary
29 adjustments to prior plans.

30 3. The commission shall prepare and submit the plan to the
31 governor and general assembly not later than November 15, 2019.

32 4. The plan shall include information for the two categories
33 that advance water sustainability as described in the Iowa
34 water policy as provided in section 466D.201, including all of
35 the following:

1 *a.* (1) For the water quality category, a qualitative
2 assessment of the state's progress in achieving the water
3 quality objectives as provided in section 466D.201, and related
4 goals and benchmarks as provided in section 466D.301. The
5 plan shall include summaries of similar assessments prepared
6 by other entities. The plan shall compare progress measured
7 against the baseline established by section 466D.301.

8 (2) For the water management category, a qualitative
9 assessment of flood and drought risks for the upcoming calendar
10 year and forecasts for short-term and long-term flood and
11 drought risks.

12 *b.* For each category, an evaluation of revenue sources
13 and amounts received to support each category described in
14 section 466D.201, including historical trends, current funding
15 levels, and required future funding levels recommended by the
16 commission. The plan shall include areas in which immediate
17 financing is critically important to preserve water quality and
18 reduce risks associated with flood and drought conditions.

19 *c.* For the water quality category, a list of each watershed
20 or subwatershed having the greatest or most immediate need for
21 action necessary to reduce the contributions of nutrients to
22 surface water sources. The plan shall include a recommendation
23 that describes the most needed action.

24 *d.* (1) For each category, an identification of research
25 conducted in this state or other states that demonstrate
26 potential to produce short-term or long-term future benefits.
27 The plan shall include a recommendation to expand the research
28 or apply the research to develop a model for sustainable water
29 initiatives.

30 (2) For each category, an identification of priority areas
31 for research that would assist the state in achieving water
32 sustainability objectives as provided in section 466D.201 and
33 related goals and benchmarks as provided in section 466D.301.

34 *e.* (1) For each category, an evaluation of initiatives
35 being undertaken by federal, state, or local entities.

1 (2) For each category, an identification of implemented
2 initiatives conducted in this state or other states that
3 demonstrate short-term or long-term future benefits. The plan
4 shall include a recommendation to expand an initiative or use
5 an initiative in developing a model.

6 *f.* For each category, a list of initiatives that are
7 being implemented by the commission or that are planned to be
8 implemented by the commission, including the cost or expected
9 cost of the initiative. The list shall describe the project
10 name identifying the initiative, the name of each county
11 where the initiative has been or will be established, and the
12 proposed or actual cost of establishing the initiative.

13 *g.* For each category, any recommendation to revise legal
14 provisions or policies, including any statute enacted by the
15 general assembly, rule adopted by an administrative agency, or
16 ordinance adopted by a local government.

17 5. *a.* Not later than November 15 of each year, the
18 commission, in cooperation with the Leopold center, the flood
19 center, and Iowa water center, shall prepare an updated plan
20 which shall be submitted to the governor and general assembly.
21 An updated plan shall describe all relevant changes to the plan
22 and previous updates to the plan. An updated plan must include
23 an evaluation of the state's progress in meeting its objective
24 to reduce nitrogen and phosphorus loads contributed to this
25 state's surface water sources as part of the Iowa water policy
26 as provided in section 466D.201. An updated plan shall also
27 include the list as provided in this section that describes
28 information regarding each type of initiative that has been or
29 is planned to be established.

30 *b.* Each four years, the commission, in cooperation with the
31 Leopold center, the flood center, and the Iowa water center,
32 shall prepare an extensive update of the plan that evaluates
33 the objective of the state and determines the extent to which
34 the state has achieved water sustainability under the Iowa
35 water policy. The extensive update shall be submitted to the

1 governor and general assembly not later than the following:

2 (1) November 15, 2025.

3 (2) November 15, 2029.

4 (3) November 15, 2033.

5 Sec. 29. NEW SECTION. **466D.401 Water management authorities**
6 **— allocations.**

7 1. For each fiscal year that moneys are available, the
8 commission shall allocate not more than forty thousand dollars
9 each fiscal year to each eligible authority.

10 2. The moneys shall be used as specified by the commission.
11 However, the moneys may be used to support the administrative
12 costs of an authority.

13 3. The commission shall establish eligibility requirements
14 under this section. However, in order to be eligible, an
15 authority must at least demonstrate that it is actively engaged
16 in carrying out the duties described in section 466B.23.

17 Sec. 30. NEW SECTION. **466D.402 Water management authorities**
18 **— competitive grant program.**

19 1. After completing allocations to water management
20 authorities under section 466D.401, for each fiscal year
21 that moneys are available, the commission shall award moneys
22 to authorities eligible under section 466D.401 to finance
23 sustainable water initiatives.

24 2. The commission shall select an eligible authority to be
25 awarded moneys under this section based on criteria established
26 by the commission to achieve water sustainability under the
27 Iowa water policy, which must at least include any of the
28 following:

29 a. For an authority applying under the water quality
30 category, the initiative must substantially reduce or eliminate
31 the contribution of a nutrient to a water resource.

32 b. For an authority applying under the Iowa water management
33 category, the initiative must substantially reduce or mitigate
34 the risk of damages caused by a flood or drought.

35 3. In awarding a grant, the commission may establish a

1 preference for a sustainable water initiative based on whether
2 it meets any of the following criteria:

3 a. Is supported by matching moneys from a person other than
4 the state.

5 b. Is cost-effective and practical to establish and
6 maintain.

7 c. Is used in part to conduct research or as a demonstration
8 model.

9 d. Has a lifespan that extends beyond the period covered by
10 the grant.

11 Sec. 31. NEW SECTION. 466D.403 Iowa water commission —
12 appropriations.

13 There is appropriated from the general fund of the state to
14 the department of agriculture and land stewardship, for the
15 fiscal year beginning July 1, 2018, and for each subsequent
16 fiscal year, the sum of two million nine hundred fifteen
17 dollars to be allocated to the Iowa water commission.

18 DIVISION VI

19 WATER MONITORING

20 Sec. 32. Section 466B.2, Code 2018, is amended by adding the
21 following new subsections:

22 NEW SUBSECTION. 5A. "User" means a person who is the
23 recipient of water originating from a surface water or
24 groundwater source and who is entitled to exercise a right over
25 such water for any lawful purpose.

26 NEW SUBSECTION. 7. "Water supply system" means a public
27 water supply system or private water supply as defined in
28 section 455B.171.

29 Sec. 33. NEW SECTION. 466B.26 Water monitoring program.

30 1. The department shall administer a water monitoring
31 program in cooperation with the Iowa flood center established
32 in section 466C.1, the Iowa water commission created in section
33 466D.202, and the Iowa water center as defined in section
34 466D.102. The program shall provide for all of the following:

35 a. The measurement of water levels in the existing aquifer

1 monitoring well system to allow for creating new and updating
2 existing models utilizing groundwater level monitoring, and for
3 the analysis and dissemination of such information using an
4 internet-based system.

5 *b.* The production of enhanced mapping of groundwater
6 sources for community, agricultural, and industrial use
7 including alluvial and other sand and gravel aquifers, to
8 enable community, agricultural, and industrial water users to
9 track the status of shallow water table levels and both shallow
10 and deep groundwater aquifers, and to provide an early warning
11 system regarding water supply problems.

12 *c.* The provision of technical assistance for drought and
13 water conservation planning for community and other water
14 supply systems.

15 (1) The department shall obtain short-term and long-term
16 water conservation plans for the ten-year period beginning
17 July 1, 2018, from all permitted users, excluding storage
18 allocations. The department shall require regular periodic
19 updating of such plans.

20 (2) The department shall collaborate with other state
21 agencies and appropriate statewide professional organizations.
22 Collaboration shall include contracting for services with
23 statewide professional organizations if deemed appropriate by
24 the department.

25 *d.* The installation of a network of hydrologic monitoring
26 stations capable of collecting weather data, multi-level soil
27 moisture data, and shallow groundwater level information.
28 The network shall be developed by the Iowa flood center and
29 integrated into an internet-based hydrologic information
30 system. The Iowa flood center shall select the sites and
31 deploy the instruments in coordination with Iowa state
32 university of science and technology.

33 *e.* The maintenance of a network of hydrologic monitoring
34 stations and for the maintenance of an electronic system for
35 making the information from that system available in real

1 time. The Iowa flood center shall maintain the database and
2 the instruments.

3 2. The department shall prepare and submit a report to
4 the governor and general assembly prior to January 1 of each
5 year. The report shall provide a summary of the department's
6 activities during the past year and its short-term and
7 long-term statewide and regional assessments, prioritization,
8 and planning processes, including a short-term interim program
9 and a long-term comprehensive program.

10 Sec. 34. NEW SECTION. **466B.27 Water monitoring —**
11 **appropriation.**

12 There is appropriated from the general fund of the state
13 to the department of natural resources, for the fiscal year
14 beginning July 1, 2018, and for each subsequent fiscal year,
15 the sum of one million thirty-five thousand dollars to support
16 the water monitoring program created in section 466B.26.

17 DIVISION VII

18 CONFINEMENT FEEDING OPERATIONS — MASTER MATRIX

19 Sec. 35. Section 459.304, subsection 3, paragraph b, Code
20 2018, is amended to read as follows:

21 *b.* The board must conduct an evaluation of the application
22 using the master matrix as provided in [section 459.305](#). The
23 board shall compile and analyze the results of the comments in
24 order to complete its evaluation and make a recommendation.
25 The board's recommendation may be based on ~~the master matrix~~
26 ~~or may be based on comments under~~ as described in [this section](#)
27 regardless of the results of the master matrix.

28 Sec. 36. Section 459.305, subsection 2, Code 2018, is
29 amended to read as follows:

30 2. *a.* The master matrix shall include criteria valuing
31 environmental and community impacts for use by county boards
32 of supervisors and the department. The master matrix shall
33 include definite point selections for all criteria provided in
34 the master matrix. The master matrix shall provide ~~only~~ for
35 ~~scoring of positive points and shall not provide for deduction~~

1 ~~of~~ adding and deducting points. The master matrix shall
2 provide for a minimum threshold score required to receive a
3 satisfactory rating. The master matrix shall be structured to
4 ensure that it feasibly provides for a satisfactory rating.

5 b. Criteria The master matrix shall include criteria
6 valuing environmental impacts which shall account for animal
7 agriculture's relationship to quality of the environment and
8 the conservation of natural resources, and may include factors
9 that refer to all of the following:

10 ~~a.~~ (1) Topography.

11 ~~b.~~ (2) Surface water drainage characteristics.

12 ~~c.~~ (3) The suitability of the soils and the hydrology or
13 hydrogeology of the site.

14 ~~d.~~ (4) The proximity to public use areas and critical
15 public areas.

16 ~~e.~~ (5) The proximity to water sources, including
17 high-quality water resources.

18 c. The master matrix shall include criteria that provide for
19 the deduction of points, including but not limited to all of
20 the following:

21 (1) A substantial threat that manure originating from the
22 confinement feeding operation will impair the watershed where
23 the confinement feeding operation is located.

24 (2) The failure of the owner of the confinement feeding
25 operation to file or comply with a water quality improvement
26 plan as required by the department.

27 (3) The close proximity of an existing or proposed
28 confinement feeding operation structure to a drinking water
29 source used for human consumption, including a well or surface
30 water intake.

31 (4) The relatively high number of existing confinement
32 feeding operations existing in the watershed, including
33 qualified confinement feeding operations.

34 (5) The lack of community support for the application's
35 approval which may be based on the board analysis of the

1 results of the comments received by the board pursuant to
2 section 459.304.

3 Sec. 37. APPLICABILITY — PENDING APPLICATIONS. The
4 amendments to sections 459.304 and 459.305 in this division
5 of this Act shall not apply to an application to construct,
6 including expand, a confinement feeding operation structure
7 as provided in section 459.303 that is pending approval
8 or disapproval by the department immediately prior to the
9 effective date of this division of this Act.

10 Sec. 38. EFFECTIVE DATE. This division of this Act, being
11 deemed of immediate importance, takes effect upon enactment.

12

EXPLANATION

13
14

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

15 GENERAL. This bill amends a number of provisions relating
16 to agriculture and natural resources, including funding
17 sources; and programs, projects, and practices (sustainable
18 water initiatives) used to advance an Iowa water policy
19 (policy) and the regulation of confinement feeding operations.
20 The provisions affect a number of agencies and political
21 subdivisions, including the department of agriculture and land
22 stewardship (DALS), the department of natural resources (DNR),
23 the department of homeland security and emergency management
24 (HSEMD), watershed management authorities (authorities), the
25 Leopold center for sustainable agriculture (Leopold center),
26 and the Iowa flood center (flood center). The bill also refers
27 to the Iowa water center, a federally funded entity housed
28 within Iowa state university of science and technology. The
29 bill creates an Iowa water commission (commission) within DNR.

30 DIVISION I — NATURAL RESOURCES AND OUTDOOR RECREATION ACT
31 — INCREASE IN SALES AND USE TAX. The bill increases from
32 6 percent to 6.375 percent the state sales tax rate and the
33 state use tax rate, and provides for the transfer of sales tax
34 revenues to the natural resources and outdoor recreation trust
35 fund (trust fund). The bill also amends the transfer of use

1 tax revenues to the secure an advanced vision for education
2 fund (SAVE) in Code section 423F.2 from 1/6th (approximately
3 16.66 percent) of the revenues to 15.6863 percent of the
4 revenues to ensure that SAVE receives approximately the same
5 proportion of the total use tax revenue as it did prior to the
6 use tax rate increase provided in the bill.

7 CONSTITUTIONAL AMENDMENT. The bill relates to state sales
8 and use taxes and to an amendment to the Iowa Constitution
9 ratified on November 2, 2010, which created the trust fund
10 and dedicated a portion of state revenues to the trust fund
11 for the purposes of protecting and enhancing water quality
12 and natural areas in the state including parks, trails, and
13 fish and wildlife habitat, and conserving agricultural soils
14 in the state (Article VII, section 10). The trust fund and
15 appropriations from the trust fund are codified in Code chapter
16 461. Pursuant to the amendment, the amount credited to the
17 trust fund will be equal to the amount generated by an increase
18 in the state sales tax rate occurring after the effective
19 date of the constitutional amendment, but shall not exceed
20 the amount that a state sales tax rate of 0.375 percent would
21 generate. The state sales tax rate has not been increased
22 since the effective date of the constitutional amendment, so no
23 amounts have been credited to the fund.

24 EFFECTIVE DATE. This division of the bill would take effect
25 January 1, 2019.

26 DIVISION II — LEOPOLD CENTER — STANDING LIMITED
27 APPROPRIATION. The bill appropriates moneys from the general
28 fund to the Leopold center for each fiscal year beginning July
29 1, 2018.

30 DIVISION III — FLOOD CENTER — STANDING LIMITED
31 APPROPRIATION. The bill appropriates moneys from the general
32 fund to the flood center for each fiscal year beginning July
33 1, 2018.

34 DIVISION IV — FLOOD MITIGATION — STANDING LIMITED
35 APPROPRIATION. The bill appropriates moneys from the general

1 fund to the HSEMD for deposit in the Iowa flood mitigation fund
2 for each fiscal year beginning July 1, 2018.

3 DIVISION V — IOWA WATER POLICY ACT — GENERAL. The bill
4 provides that it is this state's policy to advance water
5 sustainability. The policy is divided between two categories:
6 (1) water quality and (2) water management. The water quality
7 category states the importance of preserving, restoring, and
8 enhancing surface water and groundwater (water resources). The
9 bill provides a schedule of objectives for the reduction of
10 nutrients (nitrogen and phosphorus) in this state's surface
11 waters based on July 1 through June 30 fiscal years: (1) 2018
12 through 2024, 20 percent, (2) 2024 through 2028, 32 percent,
13 and (3) 2028 through 2033, 45 percent. The water management
14 category states the importance of preparing for and confronting
15 the immediate and prolonged consequences to property caused by
16 a flood or drought conditions.

17 IOWA WATER POLICY ACT — COMMISSION. The commission
18 consists of members appointed by the governor who have
19 expertise and experience in areas of hydrology, engineering,
20 agriculture, soil conservation and water quality, environmental
21 sciences, public health, and state or local policy. For
22 administrative purposes, the commission is part of DNR but may
23 seek staffing assistance from DALs and HSEMD. It must also
24 cooperate with the Leopold center, flood center, and Iowa water
25 center. The commission is required to establish a long-range
26 comprehensive state water plan for each category and which
27 accounts for factors and trends that are projected to impact
28 water resources, including its uses. The commission must also
29 prepare and submit annual updates to the plan. It must include
30 an assessment regarding the state's progress in achieving
31 objectives, goals, and benchmarks; an evaluation of revenue
32 used to support initiatives; a list of locations requiring
33 immediate attention to comply with water quality objectives,
34 goals, and benchmarks; research activities; an evaluation of
35 sustainable water initiatives; a list of initiatives financed

1 or to be financed by the commission; and recommendations
2 regarding the revision of legal provisions or policies.

3 IOWA WATER POLICY ACT — AUTHORITIES. The bill authorizes
4 the commission to allocate moneys to support administrative
5 costs incurred by eligible authorities. The bill also
6 establishes a competitive grant program to finance initiatives.
7 The bill appropriates moneys from the general fund to the
8 commission for each fiscal year beginning July 1, 2018.

9 DIVISION VI — WATER MONITORING PROGRAM. The bill
10 requires DNR to administer a water monitoring program in
11 cooperation with the flood center, the commission, and the
12 Iowa water center. Under the program, the department and
13 participating authorities must measure water levels in existing
14 aquifer monitoring well systems, produce enhanced mapping
15 of groundwater sources, provide technical assistance for
16 drought and water conservation planning, obtain short-term
17 and long-term water conservation plans, and provide for the
18 installation of a network of hydrologic monitoring stations
19 capable of collecting relevant data. DNR must prepare and
20 submit an annual report to the governor and general assembly
21 summarizing DNR's activities, assessments, and planning
22 processes.

23 DIVISION VII — ANIMAL AGRICULTURE COMPLIANCE ACT —
24 GENERAL. The bill amends the "Animal Agriculture Compliance
25 Act" (Code chapter 459) which generally regulates confinement
26 feeding operations (operations) including associated
27 confinement feeding operation structures (structures) by
28 DNR. The bill amends provisions requiring that an application
29 to construct or expand a structure must be evaluated by a
30 participating board of supervisors in the county where the
31 structure is to be located. The evaluation process includes
32 the scoring of criteria that is part of a master matrix
33 (matrix). The bill revises scoring procedures and the types of
34 criteria that must be included in the matrix.

35 ANIMAL AGRICULTURE COMPLIANCE ACT — MATRIX. The bill

1 provides that DNR is required to provide criteria with
2 deductible points based on a number of factors including
3 a substantial threat to the watershed, the failure of the
4 owner of the operation to file a water quality improvement
5 plan as required by DNR, the close proximity of a structure
6 to a drinking water source, the relatively higher number
7 of operations existing in the same watershed, and the lack
8 of community support for the application as evidenced from
9 comments made to a board during a public hearing.

10 ANIMAL AGRICULTURE COMPLIANCE ACT — APPLICABILITY. The
11 bill's provisions do not apply to an application that is
12 pending approval or disapproval by DNR immediately prior to the
13 effective date of the division of the bill.

14 ANIMAL AGRICULTURE COMPLIANCE ACT — EFFECTIVE DATE. The
15 division of the bill would take effect upon enactment.