

House File 2340 - Introduced

HOUSE FILE 2340
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 588)

A BILL FOR

1 An Act relating to agriculture, including by providing for
2 the powers and duties of the department of agriculture and
3 land stewardship, including the promotion and regulation of
4 commodities and products; the regulation of the transportation
5 of agricultural commodities; the use of agricultural land; and
6 taxation, including property taxes, excise and sales taxes,
7 and income taxes; making penalties applicable; and including
8 effective date and applicability provisions.

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

1

DIVISION I

2 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP — PROMOTION —

3

RENEWABLE FUEL INFRASTRUCTURE

4 Section 1. Section 159A.16, subsection 3, paragraphs a, b,
5 and c, Code 2026, are amended to read as follows:

6 ~~a. For each fiscal year, not more than one million seven~~
7 ~~hundred fifty thousand dollars shall be allocated to support~~
8 ~~the renewable fuel infrastructure program for retail motor fuel~~
9 ~~sites as provided in section 159A.14 to finance the installation,~~
10 ~~replacement, or conversion of biodiesel infrastructure as~~
11 ~~provided in that section.~~

12 ~~b.~~ a. For each fiscal year, not more than one hundred fifty
13 thousand dollars shall be allocated to the department to support
14 the administration of the programs.

15 ~~e.~~ b. For each fiscal year, the department may use up to
16 three-quarters of one percent of the program funds to market
17 the programs. Otherwise the moneys shall not be transferred,
18 used, obligated, appropriated, or otherwise encumbered except to
19 allocate as financial incentives under the programs.

20

DIVISION II

21 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP — PROMOTION

22

PART A

23

GENERAL

24 Sec. 2. Section 23A.2, subsection 8, Code 2026, is amended by
25 adding the following new paragraph:

26 NEW PARAGRAPH. p. An activity carried out by the department
27 of agriculture and land stewardship to promote the marketing of
28 Iowa commodities and products, including as provided in chapters
29 159 and 187.

30 Sec. 3. Section 187.201, subsection 3, Code 2026, is amended
31 to read as follows:

32 3. Moneys in the fund are appropriated to the department and
33 shall be used exclusively to administer the programs created
34 in this ~~subchapter~~ chapter as determined and directed by the
35 department, and shall not require further special authorization

1 by the general assembly.

2 PART B

3 CHOOSE IOWA PROMOTION PROGRAMS

4 Sec. 4. Section 187.301, Code 2026, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 1A. The department shall enroll a person as
7 a choose Iowa member who is any of the following:

8 a. Actively participating in the program by producing,
9 processing, or marketing Iowa agricultural products originating
10 as commodities produced on Iowa farms.

11 b. Otherwise supporting the program as required by the
12 department.

13 Sec. 5. Section 187.301, subsection 2, Code 2026, is amended
14 by adding the following new paragraph:

15 NEW PARAGRAPH. c. The department may adopt rules providing
16 for choose Iowa membership criteria.

17 Sec. 6. Section 187.303, subsections 1 and 2, Code 2026, are
18 amended to read as follows:

19 1. A person may apply to the department to ~~participate~~ enroll
20 as a member in the choose Iowa promotional program according to
21 procedures established by rules adopted by the department. The
22 department shall evaluate and approve or disapprove ~~applications~~
23 an application based on criteria established by rules adopted by
24 the department. The department may disapprove an application if
25 the department determines the applicant's use of the choose Iowa
26 logo would be associated with the consumption of an adulterated
27 or illegal food item.

28 2. The department may enter into a licensing agreement with
29 a person ~~participating~~ enrolled as a member in the program.

30 ~~The participating person~~ A member may use the choose Iowa logo
31 to advertise a ~~food item~~ product originating as an agricultural
32 commodity produced on an Iowa farm, subject to terms and
33 conditions required by rules adopted by the department. A
34 licensing agreement shall not be for more than one year.

35 Sec. 7. NEW SECTION. **187.307 Choose Iowa school purchasing**

1 **program.**

2 1. There is created within the department a choose Iowa
3 school purchasing program.

4 2. The department shall administer the program according to
5 all of the following:

6 a. A farm or business shall be eligible to participate in the
7 program if the farm or business is enrolled as a member of the
8 choose Iowa promotional program as provided in this part 1 of
9 subchapter III.

10 b. A school or school district is eligible to participate in
11 the program, if recognized by the department.

12 c. A qualified food product is limited to meat and poultry,
13 dairy products other than milk, grains, flour, eggs, honey, and
14 produce.

15 3. a. An eligible school or school district purchasing a
16 qualified food product from an eligible farm or business shall be
17 reimbursed on a matching basis with the department contributing
18 one dollar for every one dollar expended by the eligible school
19 or school district.

20 b. The department may establish by rule the method and
21 limitations for determining the amount of funding available to
22 each school or school district under this section.

23 c. Notwithstanding paragraph "b", if the department
24 determines that there are not sufficient moneys to satisfy all
25 claims that may be submitted by schools and school districts, the
26 department shall provide for the distribution of the available
27 moneys in a manner determined equitable by the department, which
28 may include a prorated distribution to participating schools and
29 school districts.

30 4. The department may administer the program in cooperation
31 with the department of education and the participating school or
32 school district in which a participating school is located.

33 5. The department may use not more than five percent of the
34 moneys appropriated to support the program in a fiscal year to
35 pay for the costs of administering the program.

1 6. The department shall prepare and submit a report regarding
2 its findings and recommendations to the governor and general
3 assembly not later than July 31 of each year.

4 Sec. 8. Section 187.331, Code 2026, is amended to read as
5 follows:

6 **187.331 Choose Iowa food bank purchasing program.**

7 1. There is created within the department a choose Iowa food
8 bank purchasing program.

9 2. The department shall administer the program according to
10 all of the following requirements:

11 a. A farm or business ~~that owns or operates the farm source~~
12 ~~shall be given a preference to participate in the program if~~
13 ~~the farm or business is currently participating~~ eligible to
14 participate in the program if the farm or business is enrolled
15 as a member in the choose Iowa promotional program as provided in
16 this part 1 of subchapter III. Otherwise, a farm or business may
17 participate in the program if the farm or business has applied
18 to participate in the choose Iowa promotional program and the
19 department determines that the application will be approved.

20 b. An eligible participant is limited to any Iowa food bank
21 or an Iowa emergency feeding organization, recognized by the
22 department.

23 c. A qualified food product is limited to meat and poultry,
24 dairy products, grains, flour, eggs, honey, and produce.

25 ~~3. a. Of the moneys appropriated to support the program in~~
26 ~~a fiscal year, not more than two hundred thousand dollars shall~~
27 ~~be used to reimburse Iowa food banks and Iowa emergency feeding~~
28 ~~organizations.~~

29 ~~b. 3. a.~~ An eligible participant Iowa food bank or an
30 emergency feeding organization purchasing a qualified food
31 product from an eligible farm or business shall be reimbursed on
32 a matching basis with the department contributing one dollar for
33 every one dollar expended by the eligible participant Iowa food
34 bank or emergency feeding organization.

35 ~~e. b.~~ An Iowa food bank or Iowa emergency feeding

1 organization shall not receive more than fifty thousand dollars
2 per fiscal year for participating in the program.

3 4. c. The department may use not more than five percent of
4 the moneys appropriated to support the program in a fiscal year
5 to pay for the costs of administering the program.

6 5. 4. The department shall prepare and submit a report
7 regarding its findings and recommendations to the governor and
8 general assembly not later than ~~January 15~~ July 31 of each year.

9 ~~6. This section is repealed July 1, 2030.~~

10 Sec. 9. Section 190A.2, subsections 5 and 9, Code 2026, are
11 amended by striking the subsections.

12 Sec. 10. Section 190A.2, subsection 7, Code 2026, is amended
13 to read as follows:

14 7. "Program" means the farm-to-school program created in
15 section ~~190A.6~~ 190A.3.

16 Sec. 11. Section 190A.3, subsection 1, Code 2026, is amended
17 to read as follows:

18 1. The A farm-to-school program is created within the
19 department. The program shall seek to link elementary and
20 secondary public and nonpublic schools in this state with Iowa
21 farms to provide schools with fresh and minimally processed food
22 products for inclusion in school meals and snacks, encourage
23 children to develop healthy eating habits, and provide Iowa
24 farmers access to consumer markets.

25 Sec. 12. Section 190A.5, subsection 3, Code 2026, is amended
26 to read as follows:

27 3. Moneys in the fund are appropriated to support the
28 farm-to-school program in a manner determined by the department,
29 including for reasonable administrative costs incurred by the
30 department. However, the department shall not expend more than
31 four percent of moneys existing at any one time in the fund
32 during each fiscal year for purpose of paying costs associated
33 with the administration of the program and fund incurred by
34 the department during that fiscal year. Moneys expended from
35 the fund shall not require further special authorization by the

1 general assembly.

2 Sec. 13. REPEAL. Section 190A.6, Code 2026, is repealed.

3 Sec. 14. CODE EDITOR DIRECTIVE.

4 1. The Code editor is directed to make the following
5 transfers:

6 a. Section 187.331 to section 187.308.

7 b. Section 159.25 to section 187.309.

8 2. The Code editor shall correct internal references in the
9 Code and in any enacted legislation as necessary due to the
10 enactment of this section.

11 PART C

12 INNOVATION AND REVITALIZATION PROGRAMS

13 Sec. 15. Section 187.311, Code 2026, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 5A. The department may give priority to an
16 applicant who is a beginning farmer.

17 Sec. 16. NEW SECTION. **187.315 Butchery innovation and**
18 **revitalization program.**

19 1. A butchery innovation and revitalization program is
20 created within the department. The purpose of the program is
21 to promote the development, modernization, and expansion of this
22 state's butchery industry.

23 2. In administering the program, the department shall award
24 financial assistance to eligible businesses to support projects
25 that do one or more of the following:

26 a. To expand or refurbish an existing, or to establish a new,
27 state-inspected small-scale meat processing business.

28 b. To expand or refurbish an existing, or to establish a new,
29 federally inspected small-scale meat processing business.

30 c. To expand or refurbish an existing, or to establish a new,
31 licensed custom locker.

32 d. To expand or refurbish an existing, or to establish a
33 new, mobile slaughter unit that operates in compliance with
34 the most current mobile slaughter unit compliance guide issued
35 by the United States department of agriculture food safety and

1 inspection service.

2 e. To rent buildings, refrigeration facilities, freezer
3 facilities, or equipment necessary to expand processing
4 capacity, including mobile slaughter or refrigeration units used
5 exclusively for meat or poultry processing.

6 3. The department shall establish eligibility criteria for
7 the program. The eligibility criteria must include all of the
8 following:

9 a. The business must be located in this state.

10 b. The business must not have been subject to any
11 regulatory enforcement action related to federal, state, or local
12 environmental, worker safety, food processing, or food safety
13 laws, rules, or regulations within the last five years.

14 c. The business must only employ individuals legally
15 authorized to work in this state.

16 d. The business must not currently be in bankruptcy.

17 e. The business must employ less than two hundred full-time
18 nonseasonal individuals.

19 4. An eligible business seeking financial assistance under
20 this section shall make application to the department in the
21 manner and on forms prescribed by the department.

22 5. Applications for financial assistance under this section
23 shall be accepted during one or more annual application periods
24 established by the department. Upon reviewing and scoring all
25 applications that are received during an application period,
26 and subject to the availability of moneys, the department may
27 award financial assistance to eligible businesses. A financial
28 assistance award shall not exceed the amount of eligible project
29 costs included in the eligible business's application. Priority
30 shall be given to eligible businesses whose proposed project or
31 projects under subsection 2 are most likely to do one or more of
32 the following:

33 a. Create new jobs.

34 b. Create or expand opportunities for local small-scale
35 farmers to market processed meat under private labels.

1 c. Provide greater flexibility or convenience for local
2 small-scale farmers to have animals processed.

3 6. An eligible business that is awarded financial assistance
4 under this section may apply for financial assistance under other
5 programs administered by the department.

6 Sec. 17. REPEAL. Section 15E.370, Code 2026, is repealed.

7 DIVISION III

8 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP REGULATION —

9 ANIMAL HEALTH

10 Sec. 18. Section 163.1, Code 2026, is amended by adding the
11 following new subsection:

12 NEW SUBSECTION. 7A. Lease facilities in order to carry out
13 and administer the provisions of this chapter related to an
14 infectious or contagious disease or a foreign animal disease
15 preparedness and response effort.

16 Sec. 19. NEW SECTION. **163.2B Confidentiality.**

17 1. Notwithstanding section 22.7, all information and records
18 relating to an infectious or contagious disease received
19 or collected by the department pursuant to this chapter,
20 including rules adopted under this chapter by the department, is
21 confidential to the extent it identifies any of the following:

22 a. The name, address, and contact information of any person
23 owning or caring for an animal suspected of or being affected
24 with any infectious or contagious disease.

25 b. Any location where an animal suspected of or being
26 affected with any infectious or contagious disease has been kept.

27 c. Information that when considered together leads to the
28 identity of a person described in paragraph "a" or a location or
29 premises described in paragraph "b".

30 2. Notwithstanding subsection 1, the department, in acting as
31 the lawful custodian of the confidential record, may disclose the
32 record or any part of the record if it is deemed necessary by the
33 state veterinarian to protect the public health or the health or
34 well-being of animals within the state.

35 DIVISION IV

1 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP — REGULATION —
2 WEIGHTS AND MEASURES

3 Sec. 20. Section 210.1, Code 2026, is amended to read as
4 follows:

5 **210.1 ~~Standard established~~ Weights and measures standards —**
6 **compliance with federal law.**

7 ~~The weights and measures which have been presented by the~~
8 ~~department to the United States national institute of standards~~
9 ~~and technology and approved, standardized, and certified by~~
10 ~~the institute in accordance with the laws of the Congress of~~
11 ~~the United States shall be the standard weights and measures~~
12 throughout the state regulated under this chapter shall conform
13 with Iowa's state primary standard of weights and measures as
14 described in section 215.1B.

15 Sec. 21. Section 213.1, Code 2026, is amended to read as
16 follows:

17 **213.1 State metrologist.**

18 ~~The department~~ secretary of agriculture may designate one
19 ~~of its assistants~~ the bureau chief of the department's weights
20 and measures bureau to act as state metrologist of weights
21 and measures. ~~All weights and measures sealed by the state~~
22 ~~metrologist shall be impressed with the word "Iowa."~~ The
23 bureau chief is the appropriate state official responsible
24 for cooperating with the national institute of standards and
25 technology as defined in section 215.1 and in the administration
26 of weights and measures as regulated in this subtitle.

27 Sec. 22. Section 213.2, Code 2026, is amended to read as
28 follows:

29 **213.2 ~~Physical~~ United States standards — conformity.**

30 ~~Weights and measures, which conform to the standards of the~~
31 ~~United States national institute of standards and technology~~
32 ~~existing as of January 1, 1979, that are metrologically traceable~~
33 ~~to the United States standards supplied by the federal government~~
34 ~~or approved as being in compliance with its standards~~ recognized
35 by the national bureau institute of standards and technology

1 shall be ~~the~~ Iowa's state primary standard of weights and
 2 measures as verified by the department. ~~Such~~ The traceable
 3 standards of weights and measures shall be verified upon their
 4 initial receipt of same by the department and as often as
 5 deemed necessary by the ~~secretary of agriculture~~ department. The
 6 ~~secretary~~ department may ~~provide for the alteration in~~ revise
 7 the state primary standard of weights and measures in order to
 8 maintain metrological traceability with the ~~standard~~ standards of
 9 the ~~United States~~ national institute of standards and technology.
 10 ~~All such alterations~~ The verification or revision shall be made
 11 pursuant to rules ~~promulgated~~ adopted by the ~~secretary~~ department
 12 in accordance with chapter 17A.

13 Sec. 23. Section 214.3, subsection 1, Code 2026, is amended
 14 to read as follows:

15 1. A license fee is imposed on a person who uses or displays
 16 for use a commercial weighing and measuring device. The license
 17 fee is due the day the department issues the license. The amount
 18 of the license fee shall be calculated in accordance with the
 19 class or section for devices as established by handbook 44 of the
 20 ~~United States~~ national institute of standards and technology.

21 Sec. 24. Section 215.1, subsection 1, Code 2026, is amended
 22 to read as follows:

23 1. a. "Commercial weighing and measuring device" or "device"
 24 means a weight or measure or weighing or measuring device used to
 25 establish size, quantity, area or other quantitative measurement
 26 of a commodity sold by weight or measurement, or ~~where~~ when the
 27 price to be paid for producing the commodity is based upon the
 28 weight or measurement of the commodity. ~~The term~~

29 b. "Commercial weighing and measuring device" includes an any
 30 of the following:

31 (1) An accessory attached to or used in connection with
 32 a commercial weighing or measuring device when the accessory
 33 is so designed or installed that its operation may affect the
 34 accuracy of the device. ~~"Commercial weighing and measuring~~
 35 ~~device" includes a~~

1 (2) A public scale or a commercial scanner.

2 Sec. 25. Section 215.1, Code 2026, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 3A. "*National institute of standards and*
5 *technology*" means the national institute of standards and
6 technology established within the United States department of
7 commerce pursuant to 15 U.S.C. §272.

8 Sec. 26. Section 215.1A, Code 2026, is amended to read as
9 follows:

10 **215.1A Inspections.**

11 1. The Except as otherwise expressly provided by statute, the
12 department shall regularly of agriculture and land stewardship
13 may inspect all any commercial weighing and measuring devices,
14 and when device. If the department receives a complaint is made
15 to the department that any false or incorrect alleging weights
16 or measures are being made inaccurately recorded by a device, the
17 department shall inspect the commercial weighing and measuring
18 devices which caused the complaint device.

19 2. The department may inspect a prepackaged goods good to
20 determine the accuracy of their its recorded weights weight.

21 3. a. The department may order the owner of the device or a
22 service agency that installed, serviced, or repaired the device,
23 to deliver to the department one or more of the service agency's
24 most recent test reports documenting the device's accuracy.

25 b. (1) Except as provided in subparagraph (2), the delivery
26 of a report may be in lieu of an inspection.

27 (2) The department shall provide for an inspection of any of
28 the following:

29 (a) A motor fuel pump as required in section 214.11.

30 (b) A moisture-measuring device as required in section
31 215A.2.

32 (c) A charging station dispensing electric fuel as required
33 in section 452A.41.

34 Sec. 27. Section 215.14, subsection 3, Code 2026, is amended
35 to read as follows:

1 3. Before approval by the department, the specifications for
2 a commercial weighing and measuring device shall be furnished to
3 the purchaser of the device by the manufacturer. The approval
4 shall be based upon the recommendation of the ~~United States~~
5 national institute of standards and technology.

6 Sec. 28. Section 215.19, Code 2026, is amended to read as
7 follows:

8 **215.19 Automatic recorders on scales.**

9 Except for ~~scales~~ a scale used by ~~packers~~ a packer
10 slaughtering fewer than one hundred twenty head of livestock
11 per day, ~~all scales~~ a scale with a capacity over five hundred
12 pounds, ~~which are used for commercial purposes, in this state,~~
13 ~~and installed after January 1, 1981,~~ shall be equipped with a
14 type-registering weigh beam, a dial with a mechanical ticket
15 printer, an automatic weight recorder, or some similar commercial
16 weighing and measuring device, which shall be used for printing
17 or stamping the weight values on scale tickets. A scale or
18 similar device equipped with a malfunctioning automatic weight
19 recorder ~~may~~ shall not be used for ~~not~~ more than seven days
20 if the scale or similar device is unable to print or stamp
21 the ticket ~~so long as~~ and only if a repair to the automatic
22 recorder is immediately initiated and the user dates, signs,
23 and accurately handwrites the required information on the ticket
24 until the scale or similar device is operational.

25 Sec. 29. Section 215.23, subsection 2, Code 2026, is amended
26 to read as follows:

27 2. In determining a servicer's qualifications, the department
28 may consider the specifications of the ~~United States~~
29 national institute of standards and technology, handbook 44,
30 "Specifications, Tolerances, and Technical Requirements for
31 Weighing and Measuring Devices", or the current successor or
32 equivalent specifications adopted by the ~~United States~~ national
33 institute of standards and technology.

34 Sec. 30. Section 452A.40, Code 2026, is amended by adding the
35 following new subsection:

1 NEW SUBSECTION. 5A. "National institute of standards and
2 technology" means the same as defined in section 215.1.

3 Sec. 31. REPEAL. Sections 213.3 and 213.7, Code 2026, are
4 repealed.

5 Sec. 32. CODE EDITOR DIRECTIVE.

6 1. The Code editor is directed to make the following
7 transfers:

8 a. Section 213.1 to section 215.1B.

9 b. Section 213.2 to section 215.1C.

10 c. Section 215.18 to section 215.1D.

11 d. Section 215.1A to section 215.1E.

12 2. The Code editor shall correct internal references in the
13 Code and in any enacted legislation as necessary due to the
14 enactment of this section.

15 DIVISION V

16 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP REGULATION —

17 GRAIN MARKETING

18 PART A

19 GRAIN DEALERS

20 Sec. 33. Section 203.3, subsection 4, paragraph b, Code 2026,
21 is amended to read as follows:

22 b. (1) The grain dealer shall submit to the department,
23 as required by the department, a financial statement that
24 is accompanied by an unqualified opinion based upon an audit
25 performed by a certified public accountant licensed in this
26 state.

27 (2) Notwithstanding subparagraph (1), if a grain dealer does
28 not purchase grain by credit-sale contract, the department may
29 accept any of the following:

30 (a) A qualification in an opinion based on an audit that
31 is unavoidable by any audit procedure that is permitted under
32 generally accepted accounting principles. An opinion that is
33 qualified because of a limited audit procedure or because the
34 scope of an audit is limited shall not be accepted by the
35 department.

1 (b) A financial statement that is accompanied by the report
2 of a certified public accountant licensed in this state. The
3 report must be based upon a review performed by the certified
4 public accountant. The report shall be in lieu of an unqualified
5 opinion based on an audit. However, at any time, upon good
6 cause, the department may require the grain dealer to submit
7 to the department a subsequent financial statement that is
8 accompanied by the report.

9 (3) The department shall not require that a grain dealer to
10 submit to the department more than one such unqualified opinion
11 based on an audit per year.

12 (4) A grain dealer shall submit one or more financial
13 statements to the department in addition to the financial
14 statement accompanied by an unqualified opinion based on an audit
15 as required in this paragraph if the department determines that
16 it is necessary to verify the grain dealer's financial status or
17 compliance with this section.

18 Sec. 34. Section 203.3, subsection 5, paragraph b, Code 2026,
19 is amended to read as follows:

20 b. (1) The grain dealer shall submit to the department,
21 as required by the department, a financial statement that
22 is accompanied by an unqualified opinion based upon an audit
23 performed by a certified public accountant licensed in this
24 state.

25 (2) Notwithstanding subparagraph (1), the department may
26 accept any of the following:

27 (a) A qualification in an opinion based on an audit that
28 is unavoidable by any audit procedure that is permitted under
29 generally accepted accounting principles. An opinion that is
30 qualified because of a limited audit procedure or because the
31 scope of an audit is limited shall not be accepted by the
32 department.

33 (b) A financial statement that is accompanied by the report
34 of a certified public accountant licensed in this state. The
35 report must be based upon a review performed by the certified

1 public accountant. The report shall be in lieu of an unqualified
2 opinion based on an audit. However, at any time, upon good
3 cause, the department may require the grain dealer to submit
4 to the department a subsequent financial statement that is
5 accompanied by the report.

6 (3) The department shall not require ~~that~~ a grain dealer to
7 submit to the department more than one ~~such~~ unqualified opinion
8 based on an audit per year.

9 (4) A grain dealer shall submit one or more financial
10 statements to the department in addition to the financial
11 statement accompanied by an unqualified opinion based on an audit
12 required in this paragraph if the department determines that it
13 is necessary to verify the grain dealer's financial status or
14 compliance with this section.

15 Sec. 35. Section 203.8, subsection 2, paragraph a, Code 2026,
16 is amended to read as follows:

17 a. (1) "Delivery" Subject to subparagraph (2), "delivery"
18 means the transfer of title to and possession of grain by a
19 seller to a grain dealer or to another person in accordance with
20 the terms of an agreement of ~~of~~ by the seller and the grain dealer.

21 (2) Unless title to grain was previously transferred pursuant
22 to an ordinary cash-sale contract, title to grain sold by
23 credit-sale contract is deemed to have transferred to the grain
24 dealer when all of the following occurs:

25 (a) The credit-sale contract is signed by both the grain
26 dealer and the seller.

27 (b) The grain dealer has possession of the grain or another
28 person has possession of the grain in accordance with the terms
29 of the credit-sale contract.

30 Sec. 36. Section 203.12, subsection 1, Code 2026, is amended
31 to read as follows:

32 1. Upon the cessation of a grain dealer license ~~by~~
33 ~~revocation, cancellation, or expiration pursuant to section~~
34 203.10 or upon the filing of a petition in bankruptcy by a
35 grain dealer, any claim for the purchase price of grain against

1 the grain dealer shall be made in writing and filed with the
2 grain dealer and with the issuer of a deficiency bond or of
3 an irrevocable letter of credit and with the department within
4 one hundred twenty days after the date of the cessation or the
5 filing of a petition in bankruptcy, whichever occurs earlier. A
6 failure to make this timely claim relieves the issuer and the
7 grain depositors and sellers indemnity fund provided in chapter
8 203D of all obligations to the claimant.

9 Sec. 37. Section 203.12A, subsection 5, Code 2026, is amended
10 to read as follows:

11 5. The Iowa grain indemnity fund board, upon written demand
12 of the grain dealer, shall file a termination statement with the
13 secretary of state, if after one hundred eighty days from the
14 date that the lien is perfected the grain dealer's license has
15 not ceased ~~by revocation, cancellation, or expiration~~ pursuant to
16 section 203C.10. Upon filing the termination statement, the lien
17 becomes unperfected. The board shall also deliver a copy of the
18 termination statement to the grain dealer.

19 PART B

20 GRAIN OPERATORS

21 Sec. 38. Section 203C.6, subsection 4, paragraph b, Code
22 2026, is amended to read as follows:

23 b. (1) The warehouse operator shall submit to the
24 department, as required by the department, a financial statement
25 that is accompanied by an unqualified opinion based upon an
26 audit performed by a certified public accountant licensed in this
27 state.

28 (2) Notwithstanding subparagraph (1), the department may
29 accept any of the following:

30 (a) A qualification in an opinion based on an audit that
31 is unavoidable by any audit procedure that is permitted under
32 generally accepted accounting principles. An opinion that is
33 qualified because of a limited audit procedure or because the
34 scope of an audit is limited shall not be accepted by the
35 department.

1 (b) A financial statement that is accompanied by the report
2 of a certified public accountant licensed in this state. The
3 report must be based upon a review performed by the certified
4 public accountant. The report shall be in lieu of an unqualified
5 opinion based on an audit. However, at any time, upon good
6 cause, the department may require the warehouse operator to
7 submit to the department a subsequent financial statement that is
8 accompanied by the report.

9 (3) The department shall not require ~~that~~ a warehouse
10 operator to submit to the department more than one such
11 unqualified opinion based on an audit per year.

12 (4) A warehouse operator shall submit one or more financial
13 statements to the department in addition to the financial
14 statement accompanied by an unqualified opinion based on an audit
15 as required in this paragraph if the department determines that
16 it is necessary to verify the warehouse operator's financial
17 status or compliance with this section.

18 Sec. 39. Section 203C.6, subsection 5, paragraph b, Code
19 2026, is amended to read as follows:

20 b. (1) The warehouse operator shall submit to the
21 department, as required by the department, a financial statement
22 that is accompanied by an unqualified opinion based upon an
23 audit performed by a certified public accountant licensed in this
24 state.

25 (2) Notwithstanding subparagraph (1), the department may
26 accept any of the following:

27 (a) A qualification in an opinion based on an audit that
28 is unavoidable by any audit procedure that is permitted under
29 generally accepted accounting principles. An opinion that is
30 qualified because of a limited audit procedure or because the
31 scope of an audit is limited shall not be accepted by the
32 department.

33 (b) A financial statement that is accompanied by the report
34 of a certified public accountant licensed in this state. The
35 report must be based upon a review performed by the certified

1 public accountant. The report shall be in lieu of an unqualified
2 opinion based on an audit. However, at any time, upon good
3 cause, the department may require the warehouse operator to
4 submit to the department a subsequent financial statement that is
5 accompanied by the report.

6 (3) The department shall not require ~~that~~ a warehouse
7 operator to submit more than one ~~such~~ unqualified opinion based
8 on an audit per year.

9 (4) A warehouse operator shall submit one or more financial
10 statements to the department in addition to the financial
11 statement accompanied by an unqualified opinion based on an audit
12 as required in this paragraph if the department determines that
13 it is necessary to verify the warehouse operator's financial
14 status or compliance with this section.

15 Sec. 40. Section 203C.12A, subsection 5, Code 2026, is
16 amended to read as follows:

17 5. The Iowa grain indemnity fund board shall upon written
18 demand of the warehouse operator file a termination statement
19 with the secretary of state, if after one hundred eighty days
20 from the date that the lien is perfected the warehouse operator's
21 license has not ceased by ~~revocation, cancellation, or expiration~~
22 pursuant to section 203C.10. Upon filing the termination
23 statement, the lien becomes unperfected. The board shall also
24 deliver a copy of the termination statement to the warehouse
25 operator.

26 Sec. 41. Section 203C.14, subsection 2, paragraphs a and c,
27 Code 2026, are amended to read as follows:

28 a. Upon the cessation of a warehouse operator's license ~~due~~
29 ~~to revocation, cancellation, or expiration~~ pursuant to section
30 203C.10 or upon the filing of a petition in bankruptcy by
31 a warehouse operator, a claim against the warehouse operator
32 arising under this chapter shall be made in writing with the
33 warehouse operator, with the issuer of a bond on agricultural
34 products other than bulk grain, a deficiency bond, or an
35 irrevocable letter of credit, and, if the claim relates to bulk

1 grain, with the department. The claim must be made within one
2 hundred twenty days after the cessation of the license or the
3 filing of a petition in bankruptcy, whichever occurs earlier.
4 The failure to make a timely claim relieves the issuer and, if
5 the claim relates to bulk grain, the grain depositors and sellers
6 indemnity fund provided in chapter 203D of all obligations to the
7 claimant.

8 c. This subsection does not apply if a receiver is appointed
9 as provided in this chapter pursuant to a petition ~~which~~ that is
10 filed by the department prior to the expiration of one hundred
11 twenty days after cessation of a warehouse operator's license
12 pursuant to section 203C.10.

13 Sec. 42. Section 203C.18, subsection 3, Code 2026, is amended
14 to read as follows:

15 3. A form for a warehouse receipt shall only be printed by
16 a person approved by the department. A form for a warehouse
17 receipt shall be printed in accordance with specifications set
18 forth by the department. A warehouse operator shall surrender to
19 the department all forms for warehouse receipts that are unused
20 at the time that the warehouse operator's license is suspended
21 ~~or ceases due to revocation, cancellation, or expiration~~ pursuant
22 to section 203C.10. The warehouse operator shall surrender the
23 warehouse receipts in a manner required by the department.

24 PART C

25 GRAIN DEPOSITORS AND SELLERS INDEMNIFICATION

26 Sec. 43. Section 203D.3A, subsection 2, Code 2026, is amended
27 by adding the following new paragraph:

28 NEW PARAGRAPH. e. (1) If the per-bushel fee is passed on to
29 a seller, the per-bushel fee shall occur at the time of payment.

30 (2) As used in subparagraph (1), "payment" means the same as
31 defined in section 203.8.

32 Sec. 44. Section 203D.6, subsection 8, paragraph a, Code
33 2026, is amended to read as follows:

34 a. Upon a determination by the board that an eligible claim
35 satisfies the requirements in subsection 4, the board shall

1 indemnify the claimant as a depositor under subsection 5, and a
2 seller under subsection 6. Upon a determination by the board
3 that an eligible repayment claim was filed by that seller under
4 section 203D.6A, ~~derives from the same covered transaction during~~
5 ~~the claim period, and the repayment loss incurred for that claim,~~
6 the board shall indemnify the claimant as a seller subject to the
7 requirements of this section ~~and section 203D.6A.~~

8 Sec. 45. Section 203D.6A, subsection 2, Code 2026, is amended
9 to read as follows:

10 2. To be timely, a seller must file a repayment claim with
11 the department not later than sixty days after the amount of the
12 seller's loss is finalized by a bankruptcy court, whether by an
13 order issued, judgment entered, or settlement agreement approved.
14 However, if a seller's loss is based upon a bankruptcy court's
15 default judgment, to be timely, the seller must file a repayment
16 claim with the department not later than sixty days after the
17 bankruptcy court's default judgment is entered or a subsequent
18 settlement agreement is approved and entered, whichever is later.

19 DIVISION VI

20 DEPARTMENT OF TRANSPORTATION REGULATION — MOTOR VEHICLES

21 PART A

22 MILK HAULERS

23 Sec. 46. Section 321E.29B, subsection 1, Code 2026, is
24 amended to read as follows:

25 1. Notwithstanding section 321E.8, the ~~department~~
26 permit-issuing authority may issue annual permits for the
27 operation of vehicles or combinations of vehicles transporting
28 fluid milk products to or from a milk plant, receiving station,
29 or transfer station, exceeding the weight limitation of section
30 321.463 but not exceeding a gross weight of ~~ninety-six~~ one
31 hundred thirty-six thousand pounds, ~~on primary roads and primary~~
32 ~~road extensions in cities.~~ The department shall establish rules
33 regarding minimum distances for axle configurations.

34 Sec. 47. EFFECTIVE DATE. This part of this division of this
35 Act takes effect January 1, 2027.

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

PART B

IMPLEMENTS OF HUSBANDRY

Sec. 48. Section 321.457, subsection 2, paragraph f, Code 2026, is amended to read as follows:

f. (1) A trailer or semitrailer, laden or unladen, shall not have an overall length in excess of fifty-three feet when operating in a truck tractor-semitrailer combination exclusive of retractable extensions used to support the load. However, when a trailer or semitrailer is used exclusively for the transportation of passenger vehicles, light delivery trucks, panel delivery trucks, pickup trucks, recreational vehicle chassis, or boats, the load carried on the trailer or semitrailer may extend up to three feet beyond the front bumper and up to four feet beyond the rear bumper of the trailer or semitrailer.

(2) A lowboy semitrailer, laden or unladen, ~~which~~ that is designed and exclusively used for the transportation of either construction equipment or an implement of husbandry shall not have an overall length in excess of fifty-seven feet when used in a truck tractor-semitrailer combination.

DIVISION VII

AGRICULTURAL TOURISM

Sec. 49. Section 673A.3, subsection 6, paragraph b, Code 2026, is amended to read as follows:

b. "Farm" includes but is not limited to a farm field, orchard, tree farm, nursery, greenhouse, garden, elevator, seedhouse, barn, warehouse, animal feeding operation structure, winery, brewery, distillery, or any personal property located on the land including machinery or equipment used in the production of a farm commodity.

Sec. 50. Section 673A.3, subsection 9, Code 2026, is amended to read as follows:

9. "Farm crop" means a plant or fungus used for food, animal feed, fiber, ~~or~~ oil, energy, or decoration, including any of the following:

a. A forage or cereal plant, including but not limited to

1 alfalfa, barley, buckwheat, corn, flax, forage, millet, oats,
2 popcorn, rye, sorghum, soybeans, sunflowers, wheat, and grasses
3 used for forage or silage.

4 b. Edible or ornamental produce, including but not limited
5 to fruit such as apples, cherries, peaches, pears, berries, and
6 grapes; vegetables such as asparagus, broccoli, and carrots;
7 lentils; tubers; squashes and pumpkins; gourds; nuts; maple
8 syrup; mushrooms; Christmas trees; and flowers.

9 c. Lumber, logs, pulpwood, and cordwood.

10 d. Honey.

11 DIVISION VIII

12 LAND USE

13 Sec. 51. Section 335.2, Code 2026, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 4. As used in subsection 1, an agricultural
16 purpose includes but is not limited to an agricultural
17 tourism activity or event, value-added agricultural processing,
18 direct-to-consumer marketing, or other farm-based enterprise that
19 supports the economic viability of a farm.

20 Sec. 52. Section 335.28, Code 2026, is amended to read as
21 follows:

22 **335.28 Agricultural experiences experience.**

23 1. a. For purposes of this section, "agricultural
24 experience" includes but is not limited to any
25 agriculture-related activity, or agriculture-related event, as a
26 that constitutes a secondary use in conjunction with agricultural
27 production, on a farm which if the agriculture-related activity,
28 or agriculture-related event, is located on a farm and open
29 to the public with for the intended purpose of promoting or
30 educating the public about agriculture, agricultural practices,
31 agricultural activities, or agricultural products.

32 b. "Agricultural experience" also includes agricultural
33 tourism activities and events, such as recreational,
34 entertainment, dining, celebratory, and overnight lodging
35 opportunities offered on a working farm, so long as the farm's

1 primary use remains agricultural production.

2 2. To assist in the promotion of agricultural experiences,
3 a county shall not require a conditional use permit, special
4 use permit, special exception, or variance for an agricultural
5 ~~experiences~~ experience on property of which the primary use is
6 agricultural production.

7 Sec. 53. EFFECTIVE DATE. This division of this Act, being
8 deemed of immediate importance, takes effect upon enactment.

9 Sec. 54. APPLICABILITY. Any conditional use permit, special
10 use permit, special exception, or variance described in section
11 335.28, as amended by this division of this Act, is void and
12 unenforceable.

13 DIVISION IX

14 PROPERTY TAX EXEMPTION — QUALIFIED ABOVEGROUND STORAGE TANKS

15 Sec. 55. Section 427A.1, Code 2026, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 6A. Notwithstanding the other provisions of
18 this section, an aboveground storage tank with a capacity of
19 ninety-one thousand gallons or less, no matter the use or
20 intended use on the subject property, shall not be assessed and
21 taxed as real property.

22 Sec. 56. IMPLEMENTATION. Section 25B.7 shall not apply to
23 this division of this Act.

24 Sec. 57. EFFECTIVE DATE. This division of this Act, being
25 deemed of immediate importance, takes effect upon enactment.

26 Sec. 58. RETROACTIVE APPLICABILITY. This division of this
27 Act applies retroactively to assessment years beginning on or
28 after January 1, 2026.

29 DIVISION X

30 EXCISE TAX ELIMINATION — GRAIN HANDLING

31 Sec. 59. Section 445.3, subsection 2, Code 2026, is amended
32 to read as follows:

33 2. a. The commencement of actions for ad valorem taxes
34 authorized under this section shall not begin until the issuance
35 of a tax sale certificate under the requirements of section

1 446.19. The commencement of actions for all other taxes
2 authorized under this section shall not begin until ten days
3 after the publication of tax sale under the requirements of
4 section 446.9, subsection 2. ~~This subsection~~
5 b. Paragraph "a" does not apply to the collection of ad
6 valorem taxes under section 445.32, ~~and grain handling taxes~~
7 ~~under section 428.35.~~

8 Sec. 60. REPEAL. Section 428.35, Code 2026, is repealed.

9 Sec. 61. IMPLEMENTATION. Section 25B.7 shall not apply to
10 the property tax exemption enacted in this Act.

11 Sec. 62. APPLICABILITY. This division of this Act applies to
12 tax years beginning on or after January 1, 2027.

13 DIVISION XI

14 SALES AND USE TAX EXEMPTION — HONEYBEES

15 Sec. 63. Section 423.3, Code 2026, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 111. The sales price of honeybees.

18 DIVISION XII

19 INCOME TAX EXEMPTIONS

20 PART A

21 FARM TENANCIES

22 Sec. 64. Section 422.7, subsection 14, paragraph e, Code
23 2026, is amended by striking the paragraph and inserting in lieu
24 thereof the following:

25 e. Net income from a farm tenancy agreement earned, received,
26 or reported by an entity taxed as a disregarded entity,
27 partnership for federal tax purposes, an S corporation, a
28 trust, or estate is eligible for the election and deduction
29 in this subsection for the portion of net income derived from
30 a farm tenancy agreement if the eligible individual receives
31 or is entitled to receive the portion of net income through
32 distributions from an entity taxed as a disregarded entity, a
33 partnership, an S corporation, a trust, or an estate, to the
34 same extent that an eligible individual could subtract net income
35 received directly from the farm tenant rather than passing to

1 the eligible individual through an entity taxed as a disregarded
2 entity, a partnership, an S corporation, a trust, or an estate.
3 For purposes of this paragraph, net income accruing to a grantor
4 trust or to a business entity that is a disregarded entity shall
5 be deemed to have been distributed to its sole owner to the
6 extent the sole owner of such disregarded entity or trust has the
7 right to withdraw or compel distribution of such net income.

8 Sec. 65. EFFECTIVE DATE. This part of this division of this
9 Act takes effect January 1, 2027.

10 Sec. 66. APPLICABILITY. This part of this division of this
11 Act applies to tax years beginning on or after January 1, 2027.

12 PART B

13 VETERINARY PRACTICE

14 Sec. 67. Section 422.7, Code 2026, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 46. a. (1) Subtract, to the extent
17 included, loan repayments received under a program agreement
18 entered into by a taxpayer who is a loan repayment recipient
19 and the Iowa college student aid commission pursuant to section
20 256.226, if the taxpayer fulfills the obligation to engage in
21 the practice of veterinary medicine according to terms of that
22 section and the program agreement.

23 (2) The amount subtracted in subparagraph (1) shall not
24 exceed the following limits:

25 (a) For any tax year, fifteen thousand dollars.

26 (b) For the aggregate of all tax years, sixty thousand
27 dollars.

28 (c) In any case, the amount of the outstanding eligible loan.

29 b. (1) Subtract, to the extent included, loan repayments
30 received on an eligible loan under an agreement between a
31 taxpayer and a nongovernmental entity. If the taxpayer meets
32 the eligibility requirements of section 256.226 and fulfills
33 the obligation to engage in the practice of veterinary medicine
34 according to the terms of that section and the agreement.

35 (2) The amount subtracted in subparagraph (1) shall not

1 exceed the following limits:

2 (a) For any tax year, fifteen thousand dollars.

3 (b) For the aggregate of all tax years, sixty thousand
4 dollars.

5 (c) In any case, the amount of the outstanding eligible loan.

6 c. (1) Subtract, to the extent included, loan repayments
7 and related tax liability payments received by a taxpayer
8 pursuant to the federal veterinary medicine loan repayment
9 program authorized by 7 U.S.C. §3151a and administered by the
10 United States department of agriculture, national institute of
11 food and agriculture.

12 (2) The amount subtracted in subparagraph (1) shall not
13 exceed the amount of the loan and related tax liability payments
14 or fifty-five thousand six hundred dollars per year, whichever is
15 less.

16 EXPLANATION

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

19 GENERAL. This bill amends a number of Code chapters relating
20 to agriculture, including providing for the powers and duties of
21 the department of agriculture and land stewardship (DALs). The
22 bill provides for the promotion and regulation of commodities
23 and regulation by DALs, including fees, and the transportation
24 of agricultural items by the department of transportation (DOT).
25 The bill provides for the use of agricultural land, including
26 agricultural tourism. The bill also provides for taxation,
27 including property taxes, the excise tax, the sales and use tax,
28 and income tax.

29 DIVISION I — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
30 — PROMOTION — RENEWABLE FUEL INFRASTRUCTURE — BACKGROUND. Code
31 chapter 159A, subchapter II, authorizes DALs to administer a
32 renewable fuel infrastructure program for retail motor fuel
33 sites (Code section 159.14) and a renewable fuel infrastructure
34 program for biodiesel terminal facilities (Code section 159A.15).
35 The purpose of the program is to finance the improvement of

1 facilities used to store, blend, or dispense renewable fuels,
2 commonly derived from corn or soybeans. The programs are
3 supported by the renewable fuel infrastructure fund (Code section
4 159A.16), which is appropriated \$5 million each fiscal year (Code
5 section 159.17).

6 DIVISION I — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
7 — PROMOTION — RENEWABLE FUEL INFRASTRUCTURE — BILL'S
8 PROVISIONS. This division increases the amount of moneys
9 appropriated from the renewable fuel infrastructure fund each
10 fiscal year for administrative costs incurred by DALs from
11 \$100,000 to \$150,000.

12 DIVISION II — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
13 — PROMOTION — BACKGROUND. Code chapter 189 authorizes DALs to
14 administer a number of programs providing for the promotion of
15 agriculture in this state. The Code chapter provides for the
16 financing of the programs, including the creation of a choose
17 Iowa fund (Code section 187.201). The Code chapter provides for
18 a choose Iowa promotional program that supports the marketing
19 of agricultural commodities and processed products originating
20 from Iowa farms (Code section 187.301). The choose Iowa program
21 allows a person to register as a seller of Iowa commodities and
22 products and receives the right to use a legally protected logo
23 under a paid license (Code sections 187.302 and 187.303). The
24 Code chapter includes a choose Iowa food purchasing program that
25 supports Iowa food banks and emergency feeding operations (Code
26 section 187.311). A farm or business enrolled in the choose Iowa
27 program is provided a preference to participate in the choose
28 Iowa food purchasing program. Under Code chapter 190A, DALs
29 also administers a farm-to-school program to support schools and
30 school districts in purchasing food products derived from food
31 commodities produced on Iowa farms (Code section 190A.6). A
32 dairy innovation program authorizes DALs to provide financing to
33 an eligible business in the form of a grant, low-interest loan,
34 or forgivable loan in order to expand dairy processing capacity
35 in Iowa (Code section 187.311).

1 PART A — GENERAL — BILL'S PROVISIONS. This part creates
2 an exception to a provision that restricts state agencies from
3 engaging in an activity that competes with a private enterprise
4 (Code section 23A.2). The part amends the choose Iowa program
5 by providing for the enrollment of persons actively engaged in
6 producing, processing, or marketing Iowa agricultural products.

7 PART B — CHOOSE IOWA PROMOTIONAL PROGRAMS — BILL'S
8 PROVISIONS. Under this part, DALs may adopt administrative
9 rules providing for criteria for enrollment in the choose
10 Iowa promotion program. The part establishes a choose Iowa
11 school purchasing program based on the current farm-to-school
12 program, which is eliminated. Under the new program, an
13 eligible participant is reimbursed on a matching basis with
14 DALs contributing \$1 for every \$1 expended by the eligible
15 participant. The division renames the choose Iowa food
16 purchasing program to the choose Iowa food bank program. The
17 part provides that to participate in the program, a farm or
18 business must be enrolled as a member of the choose Iowa
19 promotional program. The part eliminates a provision providing
20 that not more than \$200,000 may be used by DALs to reimburse
21 Iowa food banks and Iowa emergency feeding organizations. The
22 part eliminates a provision that terminates the program on July
23 1, 2030. Finally, the part transfers several Code sections
24 including Code section 159.25, which establishes an Iowa seal for
25 agricultural products.

26 PART C — INNOVATION AND REVITALIZATION PROGRAMS — BILL'S
27 PROVISIONS. This part provides priority to a beginning
28 farmer applying to participate in the dairy innovation and
29 revitalization program. The part creates a butchery innovation
30 revitalization program, modeled on the dairy innovation
31 and revitalization program, that promotes the development,
32 modernization, and expansion of this state's butchery industry.
33 The part also eliminates a similar program administered by the
34 economic development authority (Code section 15E.370).

35 DIVISION III — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

1 REGULATION — ANIMAL HEALTH — BACKGROUND. Code chapter 163
2 authorizes DALs to regulate animal health and specifically
3 control infectious or contagious diseases (disease) afflicting
4 livestock populations (Code chapter 163). The term "control"
5 refers to prevention, suppression, or eradication efforts (Code
6 section 163.2).

7 DIVISION III — ANIMAL HEALTH — BILL'S PROVISIONS. This
8 division authorizes DALs to lease facilities in order to control
9 an infectious or contagious disease or provide for a foreign
10 animal disease preparedness and response effort (Code section
11 162.2A). The division also provides that notwithstanding Code
12 chapter 22, information collected by DALs relating to such
13 disease is confidential, if the information identifies the name,
14 address, and contact information of a person owning or caring for
15 an animal suspected of or being affected with a disease; or any
16 location where an animal suspected of or being affected with the
17 disease has been kept.

18 DIVISION IV — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
19 REGULATION — WEIGHTS AND MEASURES — BACKGROUND. DALs is
20 authorized to regulate standard weights and measures under a
21 number of Code chapters, with many of its provisions first
22 published in the 1851 Code (Code chapters 210, 213, 214, and
23 215). Generally, standards must comply with or be supplied
24 by the federal government or approved as being in compliance
25 with those established by a United States agency, the national
26 institute of standards and technology (NIST). Many of Iowa's
27 Code provisions regulating standards provide for the inspection
28 of commercial weighing and measuring devices that are used
29 to establish size, quantity, area, or another quantitative
30 measurement of a commodity when sold (Code section 215.1).

31 DIVISION IV — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
32 — REGULATION — WEIGHTS AND MEASURES — BILL'S PROVISIONS. This
33 division provides that the secretary of agriculture may designate
34 the bureau chief of the department's weights and measures
35 bureau to act as the state metrologist of weights and measures

1 (Code section 213.1). The state metrologist is authorized to
2 cooperate with NIST. A provision requiring all weights and
3 measures sealed by the state metrologist to be impressed with
4 the word "Iowa" is eliminated. The division provides that DALSS
5 is no longer required to inspect all commercial weighing and
6 measuring devices unless it receives a complaint (Code section
7 215.1A). In lieu of an inspection, DALSS may order the owner
8 of the device or a service agency that installed, serviced,
9 or repaired the device, to deliver to DALSS one or more of
10 the service agency's most recent test reports documenting the
11 device's accuracy. Several exceptions apply that require the
12 inspection of a device including a motor fuel pump (Code section
13 214.11), a moisture-measuring device (Code section 215A.2), and
14 a charging station (Code section 452A.41). The division makes
15 several changes to enhance the Code's readability including
16 updating or correcting references to Code chapter 215. The
17 division eliminates a provision that requires DALSS to conduct
18 a test of a measuring device based on a request of any person
19 (Code section 213.3) and a provision requiring a city to pay for
20 expenses directly incurred in furnishing a city with standards
21 (Code section 213.7).

22 DIVISION V — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
23 REGULATION — GRAIN MARKETING — BACKGROUND. DALSS regulates grain
24 marketing transactions under three interrelated Code chapters.
25 The first two Code chapters regulate grain marketers, including
26 Code chapter 203 providing for the regulation of a grain dealer
27 purchasing grain from a seller and Code chapter 203C providing
28 for the regulation of a warehouse operator storing grain for a
29 depositor. Code chapter 203D establishes the grain depositors
30 and sellers indemnity fund (indemnity fund) created to indemnify
31 a seller or depositor against a financial loss due to the
32 management of the grain by grain dealer or warehouse operator.

33 Under Code chapter 203, in a cash sale transaction, a grain
34 dealer must pay the seller the purchase price for grain upon the
35 grain's delivery or upon demand for payment by the seller (Code

1 section 203.8). Delivery occurs when title to and possession of
2 the grain is transferred to the grain dealer or another person in
3 accordance with the terms of the contract (Code section 203.8).
4 One special type of sale is the use of a credit-sale contract in
5 which a grain dealer enters a contract with a seller for the sale
6 of grain and delivery of the grain has occurred but payment has
7 not been made either because the price has not been agreed to (a
8 deferred-pricing contract) or the price has been agreed to but
9 payment is to be made more than 30 days later (a deferred-payment
10 contract) (Code section 203.15). Under both Code chapters 203
11 and 203C, DALS regulates a grain dealer and warehouse operator
12 by issuing a license and conducting inspections of their business
13 operations. A grain dealer or warehouse operator must be issued
14 either a class 1 or class 2 license based on the size of the
15 business operation with a class 1 license requiring higher net
16 worth requirements (Code sections 203.3 and 203C.6). However, a
17 class 1 license is required for a grain dealer who enters into a
18 credit-sale contract regardless of the size of the grain dealer's
19 operation. A class 1 or class 2 licensee must annually submit to
20 DALS a financial statement accompanied by an unqualified opinion
21 based upon an audit performed by a certified public accountant
22 (CPA) licensed in this state. In 2025, the general assembly
23 enacted 2025 Iowa Acts, chapter 105 (2025 Act), which eliminated
24 provisions that allowed a licensed grain dealer or licensed grain
25 warehouse operator to submit a financial statement accompanied
26 by a report of a state-licensed CPA based upon a review in lieu
27 of an unqualified opinion. The 2025 Act allowed the indemnity
28 fund to cover a loss arising from a deferred-payment contract
29 (Code sections 203D.6 and 203D.6A). The 2025 Act also provided
30 a separate process for a seller to be indemnified for a loss
31 resulting from the seller having received from the grain dealer
32 an amount from the purchased grain that the seller was required
33 to later pay back to the grain dealer's bankruptcy estate (Code
34 section 203D.6A). A license of a grain dealer or warehouse
35 operator may cease due to any one of three causes, including

1 revocation by DALs, cancellation by the grain dealer, or the
2 expiration of the license by operation of law. All of these
3 causes are covered under Code sections 203.10 and 203C.10. Upon
4 any of these causes, a seller may claim the purchase price for
5 the sold grain, which may trigger a claim for a loss under the
6 indemnity fund.

7 DIVISION V — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
8 — REGULATION — GRAIN MARKETING — BILL'S PROVISIONS. Parts A
9 and B of this division amend Code sections 203.3 and 203C.6A by
10 allowing a grain dealer (except a grain dealer entering into a
11 credit-sale contract) or a warehouse operator to again submit a
12 financial statement accompanied by a report of a state-licensed
13 CPA based upon a review in lieu of an unqualified opinion.
14 Parts A and B of the division amend Code section 203.8 by
15 providing that unless title to grain was previously transferred
16 pursuant to an ordinary cash sale contract, title to grain sold
17 by credit-sale contract is deemed to have transferred to the
18 grain dealer upon two conditions: (1) the credit-sale contract
19 is signed by both the grain dealer and the seller and (2) the
20 grain dealer or another person has possession of the grain in
21 accordance with the terms of the credit-sale contract. The
22 bill provides that a claim for a loss incurred by a seller or
23 depositor may be triggered by the filing of a bankruptcy petition
24 by a grain dealer or warehouse operator. The bill also amends a
25 number of provisions that refer to the revocation, cancellation,
26 or expiration of the license by instead referring to either Code
27 section 203.10 or 203C.10, which describe those types of actions.
28 Part C of the division amends Code section 203D.6 by providing
29 for the indemnification of a seller for grain purchased by a
30 grain dealer that the seller was required to pay back later in
31 bankruptcy. The claim may proceed upon a determination that an
32 eligible repayment claim was filed with DALs by the seller as
33 required by statute. Finally, part C of the division amends Code
34 section 203D.6A by providing for the timeliness of a repayment
35 claim in the case of a bankruptcy court's default judgment. In

1 that case, the seller must file a claim not later than 60 days
2 after the court's judgment or a settlement agreement is approved,
3 whichever is later.

4 DIVISION VI — DEPARTMENT OF TRANSPORTATION REGULATION —
5 MOTOR VEHICLES. This division provides for the regulation of
6 persons moving agricultural items on state highways and roads.

7 PART A — MILK HAULERS — BACKGROUND. Under Code chapter 321E,
8 the department of transportation (DOT) and local authorities
9 regulate the weight of motor vehicles traveling on a street,
10 road, or highway, including by issuing permits (Code section
11 321E.2). DOT is authorized to issue annual permits for the
12 operation of vehicles or combinations of vehicles transporting
13 fluid milk products to or from a milk plant, receiving station,
14 or transfer station. The weight limitation is 96,000 pounds on
15 primary roads and primary road extensions in cities. A person
16 who violates the weight provisions is subject to a fine according
17 to a schedule based on the number of pounds of overload beginning
18 at \$12.

19 PART A — MILK HAULERS — BILL'S PROVISIONS. This part
20 increases the weight limit to 136,000 pounds. DOT is required to
21 adopt rules governing minimum distances for axle configurations.
22 The part takes effect January 1, 2027.

23 PART B — IMPLEMENTS OF HUSBANDRY — BACKGROUND. Code section
24 321.457 regulates the maximum length of a motor vehicle or
25 combination of vehicles operated on the highways of this state.
26 A trailer or semitrailer cannot have an overall length in
27 excess of 53 feet when operating in a truck tractor-semitrailer
28 combination. However, a lowboy semitrailer that is designed and
29 exclusively used for the transportation of construction equipment
30 may have an overall length not in excess of 57 feet. A person
31 who violates the length requirement is subject to a scheduled
32 fine of \$260 (Code section 805.8A).

33 PART B — IMPLEMENTS OF HUSBANDRY — BILL'S PROVISIONS. This
34 part provides that an implement of husbandry (a vehicle or
35 equipment used in agricultural production) has the same feet

1 requirement as construction equipment.

2 DIVISION VII — AGRICULTURAL TOURISM — BACKGROUND. Code
3 chapter 673A, referred to as the "Iowa Agricultural Tourism
4 Promotion Act" (Code section 673A.1), limits the liability of
5 certain persons involved in agricultural tourism on a farm
6 (agricultural tourism farm) when a cause of action by a visitor
7 to the farm (agricultural tourist) alleges an injury, loss, or
8 death due to any of the following: (1) an inherent risk of
9 farming associated with a farming activity, (2) the failure of
10 the agricultural tourist to comply with an instruction while
11 visiting the agricultural tourism farm, or (3) the injury, loss,
12 or death occurred at a place a reasonable person would not enter,
13 which may be based on a posted notice (Code section 673A.4).

14 DIVISION VII — AGRICULTURAL TOURISM — BILL'S
15 PROVISIONS. This division expands the scope of the liability
16 protection provided to persons engaged in agricultural tourism
17 by amending definitions in Code section 673A.3. The division
18 provides that a farm includes a tree farm, and that a farm crop
19 includes a plant used for energy or decoration. The division
20 also provides that a farm crop described as edible or ornamental
21 produce includes nuts, maple syrup, mushrooms, and Christmas
22 trees. Finally, a farm crop includes lumber, pulpwood, cordwood,
23 and honey.

24 DIVISION VIII — LAND USE — BACKGROUND. Code chapter 335
25 provides for county zoning. Code section 335.27 provides that
26 a county zoning ordinance does not apply to land, a farm house,
27 farm barn, farm outbuilding, or other building or structure that
28 is primarily adapted for an agricultural purpose. Code chapter
29 335.28 provides that a county cannot require a conditional
30 use permit, special use permit, special exception, or variance
31 for agricultural experiences on property primarily used for
32 agricultural production. An agricultural experience is defined
33 to include an agriculture-related activity, as a secondary use
34 in conjunction with agricultural production, on a farm, which
35 activity is open to the public.

1 DIVISION VIII — LAND USE — BILL'S PROVISIONS. This
2 division amends Code section 335.2 by providing that an
3 agricultural purpose includes an agricultural tourism activity
4 or event, value-added agricultural processing, direct-to-consumer
5 marketing, or other farm-based enterprise that supports the
6 economic viability of a farm. The division amends Code
7 section 335.28 by providing that an agricultural experience
8 includes tourism activities and events, such as recreational,
9 entertainment, dining, celebratory, and overnight lodging
10 opportunities offered on a working farm, so long as the farm's
11 primary use remains agricultural production. The division takes
12 effect upon enactment.

13 DIVISION IX — PROPERTY TAX EXEMPTION — QUALIFIED ABOVEGROUND
14 STORAGE TANKS — BACKGROUND. Generally, real property subject to
15 property tax is assessed locally by either a county or city
16 assessor (Code section 441.1). Code section 427A.2 provides that
17 personal property is not subject to property tax and Code section
18 427A.1 provides a descriptive list of property that is subject to
19 assessment and taxation as real property (buildings, structures,
20 or improvement attached to the land, or placed upon a foundation
21 whether or not attached to the foundation). The Code section
22 also provides a description of real property that is not subject
23 to assessment and taxation as real property.

24 DIVISION IX — PROPERTY TAX EXEMPTION — QUALIFIED ABOVEGROUND
25 STORAGE TANKS — BILL'S PROVISIONS. This division provides
26 another exemption applicable to a qualified aboveground storage
27 tank that would otherwise be subject to assessment and taxation
28 as real property. The aboveground storage tank must have a
29 capacity of 91,000 gallons or less, regardless of its use. The
30 division makes inapplicable a provision in the "State Mandates
31 Act" (Code chapter 25B) that governs the funding of a property
32 tax credit or exemption (credit or exemption). Specifically,
33 Code section 25B.7 provides that if a state enacts legislation
34 creating a credit or exemption, a political subdivision (county,
35 city, or school district) is required to extend to the taxpayer

1 only that portion of the credit or exemption estimated by the
2 department of revenue to be funded by a state appropriation. The
3 division takes effect upon enactment and applies retroactively to
4 assessment years beginning on or after January 1, 2025.

5 DIVISION X — EXCISE TAX ELIMINATION — GRAIN HANDLING —
6 BACKGROUND. Code section 428.35 relates to the grain handling
7 excise tax of one-fourth mill per bushel upon all grain handled
8 (1/40 of 1 cent per bushel). For purposes of the excise tax,
9 "handling or handled" means the receiving of grain at or in each
10 elevator, warehouse, mill, processing plant, or other facility
11 in this state in which it is received for storage, accumulation,
12 sale, processing, or any other purpose. Generally, real property
13 subject to property tax is assessed locally by either a county or
14 city assessor (Code section 441.1). The amount of excise tax is
15 calculated on the basis of a statement prepared by the department
16 of revenue and filed by the person handling the grain and is due
17 60 days after the start of the calendar year. The statement
18 records the total number of bushels handled by the person during
19 the prior calendar year. The excise tax is entered on the tax
20 list of the taxing district and revenue collected from the excise
21 tax is distributed to the various taxing authorities within the
22 taxing district in the same manner as general property taxes.

23 DIVISION X — EXCISE TAX ELIMINATION — GRAIN HANDLING —
24 BILL'S PROVISIONS. This division eliminates the special excise
25 tax provision on the handling of grain on January 1, 2027, and
26 the excise tax is no longer assessable for grain handled on or
27 after that date. The division makes inapplicable a provision in
28 the "State Mandates Act" that governs the funding of a property
29 tax credit or exemption.

30 DIVISION XI — SALES AND USE TAX EXEMPTION — HONEYBEES
31 — BACKGROUND. Code chapter 423 provides for Iowa's streamlined
32 sales and use tax provisions. The state sales tax is imposed
33 on the sales price of all sales of tangible personal property
34 and from the furnishing of enumerated services sold at retail to
35 the ultimate consumer or user of the property or services (Code

1 section 423.2). As a complement to the sales tax, the use tax is
2 imposed on the purchase price of all tangible personal property
3 or enumerated services purchased for use in Iowa and used in
4 Iowa. There are a number of exemptions to the sales tax and,
5 with a few exceptions, the same exemptions apply to the use tax
6 (Code section 423.5).

7 DIVISION XI — SALES AND USE TAX EXEMPTION — HONEYBEES —
8 BILL'S PROVISIONS. This division provides a new sales and use tax
9 exemption for the sale of honeybees.

10 DIVISION XII — INCOME TAX EXEMPTION — BACKGROUND. Code
11 chapter 422 provides for an Iowa income tax imposed on taxable
12 income of individuals who are residents and nonresidents of this
13 state (Code section 422.5). The Iowa individual income tax
14 is calculated based on the taxpayer's federal adjusted gross
15 income, with designated adjustments including subtractions, that
16 determine net income in order to compute state tax liability
17 (Code section 422.7).

18 PART A — INCOME TAX EXEMPTION — FARM TENANCIES —
19 BACKGROUND. A retired farmer leasing real property under a farm
20 tenancy agreement may qualify as an eligible individual electing
21 to subtract (exclude) rent payments from the computation of net
22 income (Code section 422.7). In order to make this election, the
23 retired farmer must either be disabled or at least 55 years old.
24 In addition, the retired farmer must have materially participated
25 in a farming business for 10 years in the aggregate, and held
26 the leased property for 10 years (Code section 422.17). A farm
27 tenancy agreement is a writing that creates a leasehold in which
28 the owner-lessor transfers that property to a tenant-lessee for
29 farming including the production of a crop or livestock (Code
30 chapter 562) in exchange for receiving a rent payment, including
31 on a cash or commodity share basis. The eligible individual
32 is prohibited from claiming a duplicative tax adjustment under
33 (1) the capital gains exemption for the sale of real property
34 used in a farming business (Code section 422.7(13)), or (2) the
35 beginning farmer tax credit for the lease of agricultural assets

1 (Code chapter 16, subchapter VIII, part 5, subpart B).

2 PART A — INCOME TAX EXEMPTION — FARM TENANCIES —
3 BILL'S PROVISIONS. This part allows a retired farmer to exclude
4 net income because a specific legal entity rather than the
5 retired farmer is the holder of the farm tenancy (leased
6 property). An individual who organizes and operates a business
7 under one of several types of recognized legal or equitable
8 entities may shield personal assets from creditors while income
9 received by such entity is attributed (passes through) to the
10 individual. Specifically, the amended provision applies to net
11 income received by a partnership (general or limited), an S
12 corporation, or a trust or estate (presumably subject to the
13 restrictions of Code chapters 9 and 9I). In addition, the part
14 expressly recognizes another pass-through entity referred to as a
15 "disregarded entity" (DRE). Such an entity must be recognized
16 under state law (e.g., a limited liability company or "LLC").
17 The equity interest (e.g., a membership interest in an LLC) must
18 be owned by a single individual or a spousal couple. Income
19 received by the DRE passes through the entity to the individual
20 or spousal couple. The part provides that in the case of a DRE
21 or grantor trust, the net income is deemed to be distributed
22 to the sole owner. The part takes effect January 1, 2027, and
23 applies to tax years beginning on and after that date.

24 PART B — VETERINARY PRACTICE — BACKGROUND. Code section
25 256.226 establishes a rural veterinarian loan repayment program
26 administered by the college student aid commission (commission).
27 The purpose of the program is to provide for the repayment of
28 a student loan to an individual who agrees to practice for four
29 years as a licensed veterinarian in a rural area referred to as
30 a rural service commitment area or a veterinary shortage area
31 pursuant to a loan repayment agreement. The amount of repayment
32 cannot exceed \$15,000 annually or a total of \$60,000 or the
33 amount of the outstanding eligible loan.

34 PART B — VETERINARY PRACTICE — BILL'S PROVISIONS. This
35 part allows a licensed veterinarian participating in the rural

1 veterinarian loan repayment program to exclude net income
2 attributable to loan payments received under the program, subject
3 to the restrictions provided in the program. The amount subject
4 to the exclusion cannot exceed \$15,000 per tax year, and an
5 aggregate of \$60,000 for all tax years. However, in any case,
6 the excluded amount cannot exceed the amount of the outstanding
7 eligible loan. The same exclusion applies to income attributable
8 to a loan repayment received from two alternative sources. The
9 first alternative source is a nongovernmental entity. In that
10 case, the taxpayer must meet the same eligibility requirements
11 and is subject to the same amount limitations as applies under
12 the rural veterinarian loan repayment program administered by the
13 commission. The second alternative source is under the federal
14 veterinary medicine loan repayment program administered by the
15 United States department of agriculture. In that case, the
16 amount is limited to not more than the amount of the loan and
17 related tax liability payments or \$55,600 per year, whichever is
18 less.