

House File 2748 - Introduced

HOUSE FILE 2748

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2340)

(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
4 of commodities and products; the regulation of the
5 transportation of agricultural commodities; the use of
6 agricultural land; and taxation, including property taxes,
7 excise and sales taxes, and income taxes; making penalties
8 applicable; and including effective date and applicability
9 provisions.
10 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~~
7 ~~seven hundred fifty thousand dollars shall be allocated to~~
8 ~~support the renewable fuel infrastructure program for retail~~
9 ~~motor fuel sites as provided in [section 159A.14](#) to finance~~
10 ~~the installation, replacement, or conversion of biodiesel~~
11 ~~infrastructure as provided in that section.~~

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

15 ~~c.~~ 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
19 to 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
25 by 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
28 of Iowa commodities and products, including as provided in
29 chapters 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~~
20 enroll as a member in the choose Iowa promotional program
21 according to procedures established by rules adopted by the
22 department. The department shall evaluate and approve or
23 disapprove ~~applications~~ an application based on criteria
24 established by rules adopted by the department. The department
25 may disapprove an application if the department determines the
26 applicant's use of the choose Iowa logo would be associated
27 with the consumption of an adulterated 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
7 the program if the farm or business is enrolled as a member of
8 the choose Iowa promotional program as provided in this part 1
9 of 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
16 a qualified food product from an eligible farm or business
17 shall be reimbursed on a matching basis with the department
18 contributing one dollar for every one dollar expended by the
19 eligible school 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
25 all claims that may be submitted by schools and school
26 districts, the department shall provide for the distribution
27 of the available moneys in a manner determined equitable by
28 the department, which may include a prorated distribution to
29 participating schools and school districts.

30 4. The department may administer the program in cooperation
31 with the department of education and the participating school
32 or 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
2 regarding its findings and recommendations to the governor and
3 general 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
16 in this part 1 of subchapter III. ~~Otherwise, a farm or~~
17 ~~business may participate in the program if the farm or business~~
18 ~~has applied to participate in the choose Iowa promotional~~
19 ~~program and the department determines that the application will~~
20 ~~be approved.~~

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

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

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

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

1 ~~e.~~ b. An Iowa food bank or Iowa emergency feeding
2 organization shall not receive more than fifty thousand dollars
3 per fiscal year for participating in the program.

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

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

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

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

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

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

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

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

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

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

1 and fund incurred by the department during that fiscal year.
2 Moneys expended from the fund shall not require further special
3 authorization by the general assembly.

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

5 Sec. 14. CODE EDITOR DIRECTIVE.

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

8 a. Section 187.331 to section 187.308.

9 b. Section 159.25 to section 187.309.

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

13 PART C

14 INNOVATION AND REVITALIZATION PROGRAMS

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

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

19 Sec. 16. NEW SECTION. 187.315 **Butchery innovation and**
20 **revitalization program.**

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

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

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

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

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

34 d. To expand or refurbish an existing, or to establish a
35 new, mobile slaughter unit that operates in compliance with

1 the most current mobile slaughter unit compliance guide issued
2 by the United States department of agriculture food safety and
3 inspection service.

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

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

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

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

16 c. The business must only employ individuals legally
17 authorized to work in this state.

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

19 e. The business must employ less than two hundred full-time
20 nonseasonal individuals.

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

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

35 a. Create new jobs.

1 *b.* Create or expand opportunities for local small-scale
2 farmers to market processed meat under private labels.

3 *c.* Provide greater flexibility or convenience for local
4 small-scale farmers to have animals processed.

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

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

9

DIVISION III

10 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP REGULATION —

11

ANIMAL HEALTH

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

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

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

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

25 *a.* The name, address, and contact information of any person
26 owning or caring for an animal suspected of or being affected
27 with any infectious or contagious disease.

28 *b.* Any location where an animal suspected of or being
29 affected with any infectious or contagious disease has been
30 kept.

31 *c.* Information that when considered together leads to the
32 identity of a person described in paragraph “*a*” or a location or
33 premises described in paragraph “*b*”.

34 2. Notwithstanding subsection 1, the department, in
35 acting as the lawful custodian of the confidential record, may

1 disclose the record or any part of the record if it is deemed
2 necessary by the state veterinarian to protect the public
3 health or the health or well-being of animals within the state.

4 DIVISION IV

5 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP — REGULATION
6 — WEIGHTS AND MEASURES

7 Sec. 20. Section 210.1, Code 2026, is amended to read as
8 follows:

9 **210.1 ~~Standard established~~ Weights and measures standards —**
10 **compliance with federal law.**

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

19 Sec. 21. Section 213.1, Code 2026, is amended to read as
20 follows:

21 **213.1 State metrologist.**

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

32 Sec. 22. Section 213.2, Code 2026, is amended to read as
33 follows:

34 **213.2 ~~Physical~~ United States standards — conformity.**

35 ~~Weights and measures, which conform to the standards of the~~

1 ~~United States national institute of standards and technology~~
2 ~~existing as of January 1, 1979,~~ that are metrologically
3 ~~traceable to the United States standards supplied by the~~
4 ~~federal government or approved as being in compliance with~~
5 ~~its standards~~ recognized by the national ~~bureau~~ institute of
6 ~~standards and technology~~ shall be the Iowa's state primary
7 standard of weights and measures as verified by the department.
8 ~~Such~~ The traceable standards of weights and measures shall
9 be verified upon their initial receipt ~~of same~~ by the
10 department and as often as deemed necessary by the ~~secretary~~
11 ~~of agriculture~~ department. The ~~secretary~~ department may
12 ~~provide for the alteration in~~ revise the state primary standard
13 of weights and measures in order to maintain metrological
14 traceability with the ~~standard~~ standards of the United States
15 national institute of standards and technology. All ~~such~~
16 ~~alterations~~ The verification or revision shall be made pursuant
17 to rules ~~promulgated~~ adopted by the ~~secretary~~ department in
18 accordance with chapter 17A.

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

21 1. A license fee is imposed on a person who uses or
22 displays for use a commercial weighing and measuring device.
23 The license fee is due the day the department issues the
24 license. The amount of the license fee shall be calculated in
25 accordance with the class or section for devices as established
26 by handbook 44 of the ~~United States~~ national institute of
27 standards and technology.

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

30 1. a. "Commercial weighing and measuring device" or "device"
31 means a weight or measure or weighing or measuring device
32 used to establish size, quantity, area or other quantitative
33 measurement of a commodity sold by weight or measurement, or
34 ~~where~~ when the price to be paid for producing the commodity is
35 based upon the weight or measurement of the commodity. ~~The~~

1 ~~term~~

2 b. "Commercial weighing and measuring device" includes an any
3 of the following:

4 (1) An accessory attached to or used in connection with
5 a commercial weighing or measuring device when the accessory
6 is so designed or installed that its operation may affect the
7 accuracy of the device. ~~"Commercial weighing and measuring~~
8 device" includes a

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

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

12 NEW SUBSECTION. 3A. "National institute of standards and
13 technology" means the national institute of standards and
14 technology established within the United States department of
15 commerce pursuant to 15 U.S.C. §272.

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

18 **215.1A Inspections.**

19 1. The Except as otherwise expressly provided by statute,
20 the department shall regularly of agriculture and land
21 stewardship may inspect all any commercial weighing and
22 measuring devices, and when device. If the department
23 receives a complaint is made to the department that any false
24 or incorrect alleging weights or measures are being made
25 inaccurately recorded by a device, the department shall inspect
26 the commercial weighing and measuring devices which caused the
27 complaint device.

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

30 3. a. The department may order the owner of the device
31 or a service agency that installed, serviced, or repaired the
32 device, to deliver to the department one or more of the service
33 agency's most recent test reports documenting the device's
34 accuracy.

35 b. (1) Except as provided in subparagraph (2), the delivery

1 of a report may be in lieu of an inspection.

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

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

5 (b) A moisture-measuring device as required in section
6 215A.2.

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

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

11 3. Before approval by the department, the specifications
12 for a commercial weighing and measuring device shall be
13 furnished to the purchaser of the device by the manufacturer.
14 The approval shall be based upon the recommendation of the
15 ~~United States~~ national institute of standards and technology.

16 Sec. 28. Section 215.19, Code 2026, is amended to read as
17 follows:

18 **215.19 Automatic recorders on scales.**

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

35 Sec. 29. Section 215.23, subsection 2, Code 2026, is amended

1 to read as follows:

2 2. In determining a servicer's qualifications, the
3 department may consider the specifications of the ~~United States~~
4 national institute of standards and technology, handbook 44,
5 "Specifications, Tolerances, and Technical Requirements for
6 Weighing and Measuring Devices", or the current successor or
7 equivalent specifications adopted by the ~~United States~~ national
8 institute of standards and technology.

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

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

13 Sec. 31. REPEAL. Sections 213.3 and 213.7, Code 2026, are
14 repealed.

15 Sec. 32. CODE EDITOR DIRECTIVE.

16 1. The Code editor is directed to make the following
17 transfers:

18 a. Section 213.1 to section 215.1B.

19 b. Section 213.2 to section 215.1C.

20 c. Section 215.18 to section 215.1D.

21 d. Section 215.1A to section 215.1E.

22 2. The Code editor shall correct internal references in the
23 Code and in any enacted legislation as necessary due to the
24 enactment of this section.

25 DIVISION V

26 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP REGULATION —

27 GRAIN MARKETING

28 PART A

29 GRAIN DEALERS

30 Sec. 33. Section 203.3, subsection 4, paragraph b, Code
31 2026, is amended to read as follows:

32 b. (1) The grain dealer shall submit to the department,
33 as required by the department, a financial statement that is
34 accompanied by an unqualified opinion based upon an audit
35 performed by a certified public accountant licensed in this

1 state.

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

5 (a) A qualification in an opinion based on an audit that
6 is unavoidable by any audit procedure that is permitted under
7 generally accepted accounting principles. An opinion that
8 is qualified because of a limited audit procedure or because
9 the scope of an audit is limited shall not be accepted by the
10 department.

11 (b) A financial statement that is accompanied by the
12 report of a certified public accountant licensed in this
13 state. The report must be based upon a review performed by the
14 certified public accountant. The report shall be in lieu of an
15 unqualified opinion based on an audit. However, at any time,
16 upon good cause, the department may require the grain dealer to
17 submit to the department a subsequent financial statement that
18 is accompanied by the report.

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

22 (4) A grain dealer shall submit one or more financial
23 statements to the department in addition to the financial
24 statement accompanied by an unqualified opinion based on
25 an audit as required in this paragraph if the department
26 determines that it is necessary to verify the grain dealer's
27 financial status or compliance with [this section](#).

28 Sec. 34. Section 203.3, subsection 5, paragraph b, Code
29 2026, is amended to read as follows:

30 b. (1) The grain dealer shall submit to the department,
31 as required by the department, a financial statement that is
32 accompanied by an unqualified opinion based upon an audit
33 performed by a certified public accountant licensed in this
34 state.

35 (2) Notwithstanding subparagraph (1), the department may

1 accept any of the following:

2 (a) A qualification in an opinion based on an audit that
3 is unavoidable by any audit procedure that is permitted under
4 generally accepted accounting principles. An opinion that
5 is qualified because of a limited audit procedure or because
6 the scope of an audit is limited shall not be accepted by the
7 department.

8 (b) A financial statement that is accompanied by the
9 report of a certified public accountant licensed in this
10 state. The report must be based upon a review performed by the
11 certified public accountant. The report shall be in lieu of an
12 unqualified opinion based on an audit. However, at any time,
13 upon good cause, the department may require the grain dealer to
14 submit to the department a subsequent financial statement that
15 is accompanied by the report.

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

19 (4) A grain dealer shall submit one or more financial
20 statements to the department in addition to the financial
21 statement accompanied by an unqualified opinion based on an
22 audit required in this paragraph if the department determines
23 that it is necessary to verify the grain dealer's financial
24 status or compliance with [this section](#).

25 Sec. 35. Section 203.8, subsection 2, paragraph a, Code
26 2026, is amended to read as follows:

27 a. (1) *“Delivery”* Subject to subparagraph (2), *“delivery”*
28 means the transfer of title to and possession of grain by a
29 seller to a grain dealer or to another person in accordance
30 with the terms of an agreement ~~of~~ by the seller and the grain
31 dealer.

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

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

3 (b) The grain dealer has possession of the grain or another
4 person has possession of the grain in accordance with the terms
5 of the credit-sale contract.

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

8 1. Upon the cessation of a grain dealer license ~~by~~
9 ~~revocation, cancellation, or expiration~~ pursuant to section
10 203.10 or upon the filing of a petition in bankruptcy by a
11 grain dealer, any claim for the purchase price of grain against
12 the grain dealer shall be made in writing and filed with the
13 grain dealer and with the issuer of a deficiency bond or of an
14 irrevocable letter of credit and with the department within
15 one hundred twenty days after the date of the cessation or the
16 filing of a petition in bankruptcy, whichever occurs earlier.

17 A failure to make this timely claim relieves the issuer and the
18 grain depositors and sellers indemnity fund provided in chapter
19 203D of all obligations to the claimant.

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

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

31 PART B

32 GRAIN OPERATORS

33 Sec. 38. Section 203C.6, subsection 4, paragraph b, Code
34 2026, is amended to read as follows:

35 **b.** (1) The warehouse operator shall submit to the

1 department, as required by the department, a financial
2 statement that is accompanied by an unqualified opinion based
3 upon an audit performed by a certified public accountant
4 licensed in this state.

5 (2) Notwithstanding subparagraph (1), the department may
6 accept any of the following:

7 (a) A qualification in an opinion based on an audit that
8 is unavoidable by any audit procedure that is permitted under
9 generally accepted accounting principles. An opinion that
10 is qualified because of a limited audit procedure or because
11 the scope of an audit is limited shall not be accepted by the
12 department.

13 (b) A financial statement that is accompanied by the
14 report of a certified public accountant licensed in this
15 state. The report must be based upon a review performed by
16 the certified public accountant. The report shall be in lieu
17 of an unqualified opinion based on an audit. However, at any
18 time, upon good cause, the department may require the warehouse
19 operator to submit to the department a subsequent financial
20 statement that is accompanied by the report.

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

24 (4) A warehouse operator shall submit one or more financial
25 statements to the department in addition to the financial
26 statement accompanied by an unqualified opinion based on
27 an audit as required in this paragraph if the department
28 determines that it is necessary to verify the warehouse
29 operator's financial status or compliance with [this section](#).

30 Sec. 39. Section 203C.6, subsection 5, paragraph b, Code
31 2026, is amended to read as follows:

32 b. (1) The warehouse operator shall submit to the
33 department, as required by the department, a financial
34 statement that is accompanied by an unqualified opinion based
35 upon an audit performed by a certified public accountant

1 licensed in this state.

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

4 (a) A qualification in an opinion based on an audit that
5 is unavoidable by any audit procedure that is permitted under
6 generally accepted accounting principles. An opinion that
7 is qualified because of a limited audit procedure or because
8 the scope of an audit is limited shall not be accepted by the
9 department.

10 (b) A financial statement that is accompanied by the
11 report of a certified public accountant licensed in this
12 state. The report must be based upon a review performed by
13 the certified public accountant. The report shall be in lieu
14 of an unqualified opinion based on an audit. However, at any
15 time, upon good cause, the department may require the warehouse
16 operator to submit to the department a subsequent financial
17 statement that is accompanied by the report.

18 (3) The department shall not require that a warehouse
19 operator to submit more than one such unqualified opinion based
20 on an audit per year.

21 (4) A warehouse operator shall submit one or more financial
22 statements to the department in addition to the financial
23 statement accompanied by an unqualified opinion based on
24 an audit as required in this paragraph if the department
25 determines that it is necessary to verify the warehouse
26 operator's financial status or compliance with this section.

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

29 5. The Iowa grain indemnity fund board shall upon written
30 demand of the warehouse operator file a termination statement
31 with the secretary of state, if after one hundred eighty
32 days from the date that the lien is perfected the warehouse
33 operator's license has not ceased by ~~revocation, cancellation,~~
34 ~~or expiration~~ pursuant to section 203C.10. Upon filing the
35 termination statement, the lien becomes unperfected. The board

1 shall also deliver a copy of the termination statement to the
2 warehouse operator.

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

5 a. Upon the cessation of a warehouse operator's license ~~due~~
6 ~~to revocation, cancellation, or expiration~~ pursuant to section
7 203C.10 or upon the filing of a petition in bankruptcy by a
8 warehouse operator, a claim against the warehouse operator
9 arising under this chapter shall be made in writing with the
10 warehouse operator, with the issuer of a bond on agricultural
11 products other than bulk grain, a deficiency bond, or an
12 irrevocable letter of credit, and, if the claim relates to bulk
13 grain, with the department. The claim must be made within one
14 hundred twenty days after the cessation of the license or the
15 filing of a petition in bankruptcy, whichever occurs earlier.
16 The failure to make a timely claim relieves the issuer and,
17 if the claim relates to bulk grain, the grain depositors
18 and sellers indemnity fund provided in chapter 203D of all
19 obligations to the claimant.

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

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

27 3. A form for a warehouse receipt shall only be printed by
28 a person approved by the department. A form for a warehouse
29 receipt shall be printed in accordance with specifications set
30 forth by the department. A warehouse operator shall surrender
31 to the department all forms for warehouse receipts that are
32 unused at the time that the warehouse operator's license
33 is suspended or ceases ~~due to revocation, cancellation, or~~
34 ~~expiration~~ pursuant to section 203C.10. The warehouse operator
35 shall surrender the warehouse receipts in a manner required by

1 the department.

2 PART C

3 GRAIN DEPOSITORS AND SELLERS INDEMNIFICATION

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

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

9 (2) As used in subparagraph (1), "*payment*" means the same as
10 defined in section 203.8.

11 Sec. 44. Section 203D.6, subsection 8, paragraph a, Code
12 2026, is amended to read as follows:

13 a. Upon a determination by the board that an eligible
14 claim satisfies the requirements in subsection 4, the board
15 shall indemnify the claimant as a depositor under subsection
16 5, and a seller under subsection 6. Upon a determination by
17 the board that an eligible repayment claim was filed by that
18 seller under section 203D.6A, ~~derives from the same covered~~
19 ~~transaction during the claim period, and the repayment loss~~
20 ~~incurred for that claim,~~ the board shall indemnify the claimant
21 ~~as a seller~~ subject to the requirements of this section and
22 ~~section 203D.6A.~~

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

25 2. To be timely, a seller must file a repayment claim with
26 the department not later than sixty days after the amount
27 of the seller's loss is finalized by a bankruptcy court,
28 whether by an order issued, judgment entered, or settlement
29 agreement approved. However, if a seller's loss is based upon
30 a bankruptcy court's default judgment, to be timely, the seller
31 must file a repayment claim with the department not later than
32 sixty days after the bankruptcy court's default judgment is
33 entered or a subsequent settlement agreement is approved and
34 entered, whichever is later.

35 DIVISION VI

1 DEPARTMENT OF TRANSPORTATION REGULATION — MOTOR VEHICLES

2 PART A

3 MILK HAULERS

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

6 1. Notwithstanding [section 321E.8](#), the ~~department~~
7 permit-issuing authority may issue annual permits for the
8 operation of vehicles or combinations of vehicles transporting
9 fluid milk products to or from a milk plant, receiving
10 station, or transfer station, exceeding the weight limitation
11 of [section 321.463](#) but not exceeding a gross weight of
12 ~~ninety-six~~ one hundred thirty-six thousand pounds, ~~on primary~~
13 ~~roads and primary road extensions in cities.~~ The department
14 shall establish rules regarding minimum distances for axle
15 configurations.

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

18 PART B

19 IMPLEMENTS OF HUSBANDRY

20 Sec. 48. Section 321.457, subsection 2, paragraph f, Code
21 2026, is amended to read as follows:

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

33 (2) A lowboy semitrailer, laden or unladen, ~~which~~ that is
34 designed and exclusively used for the transportation of either
35 construction equipment or an implement of husbandry shall not

1 have an overall length in excess of fifty-seven feet when used
2 in a truck tractor-semitrailer combination.

3 DIVISION VII

4 AGRICULTURAL TOURISM

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

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

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

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

18 *a.* A forage or cereal plant, including but not limited to
19 alfalfa, barley, buckwheat, corn, flax, forage, millet, oats,
20 popcorn, rye, sorghum, soybeans, sunflowers, wheat, and grasses
21 used for forage or silage.

22 *b.* Edible or ornamental produce, including but not limited
23 to fruit such as apples, cherries, peaches, pears, berries, and
24 grapes; vegetables such as asparagus, broccoli, and carrots;
25 lentils; tubers; squashes and pumpkins; gourds; nuts; maple
26 syrup; mushrooms; Christmas trees; and flowers.

27 *c.* Lumber, logs, pulpwood, and cordwood.

28 *d.* Honey.

29 DIVISION VIII

30 LAND USE

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

33 NEW SUBSECTION. 4. As used in subsection 1, an agricultural
34 purpose includes but is not limited to an agricultural tourism
35 activity or event, value-added agricultural processing,

1 direct-to-consumer marketing, or other farm-based enterprise
2 that supports the economic viability of a farm.

3 Sec. 52. Section 335.28, Code 2026, is amended to read as
4 follows:

5 **335.28 Agricultural ~~experiences~~ experience.**

6 1. a. For purposes of this section, "agricultural
7 experience" includes but is not limited to any
8 agriculture-related activity, or agriculture-related
9 event, as a that constitutes a secondary use in conjunction
10 with agricultural production, on a farm which if the
11 agriculture-related activity, or agriculture-related event,
12 is located on a farm and open to the public with for the
13 intended purpose of promoting or educating the public about
14 agriculture, agricultural practices, agricultural activities,
15 or agricultural products.

16 b. "Agricultural experience" also includes agricultural
17 tourism activities and events, such as recreational,
18 entertainment, dining, celebratory, and overnight lodging
19 opportunities offered on a working farm, so long as the farm's
20 primary use remains agricultural production.

21 2. To assist in the promotion of agricultural experiences,
22 a county shall not require a conditional use permit, special
23 use permit, special exception, or variance for an agricultural
24 ~~experiences~~ experience on property of which the primary use is
25 agricultural production.

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

28 Sec. 54. APPLICABILITY. Any conditional use permit,
29 special use permit, special exception, or variance described
30 in section 335.28, as amended by this division of this Act, is
31 void and unenforceable.

32 DIVISION IX

33 PROPERTY TAX EXEMPTION — QUALIFIED ABOVEGROUND STORAGE TANKS

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

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

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

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

10 Sec. 58. RETROACTIVE APPLICABILITY. This division of this
11 Act applies retroactively to assessment years beginning on or
12 after January 1, 2026.

13 DIVISION X

14 EXCISE TAX ELIMINATION — GRAIN HANDLING

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

17 2. a. The commencement of actions for ad valorem taxes
18 authorized under [this section](#) shall not begin until the
19 issuance of a tax sale certificate under the requirements of
20 section 446.19. The commencement of actions for all other
21 taxes authorized under [this section](#) shall not begin until ten
22 days after the publication of tax sale under the requirements
23 of [section 446.9, subsection 2](#). ~~This subsection~~

24 b. Paragraph "a" does not apply to the collection of ad
25 valorem taxes under [section 445.32](#), ~~and grain handling taxes~~
26 ~~under [section 428.35](#)~~.

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

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

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

32 DIVISION XI

33 SALES AND USE TAX EXEMPTION — HONEYBEES

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

1 NEW SUBSECTION. 46. a. (1) Subtract, to the extent
2 included, loan repayments received under a program agreement
3 entered into by a taxpayer who is a loan repayment recipient
4 and the Iowa college student aid commission pursuant to section
5 256.226, if the taxpayer fulfills the obligation to engage in
6 the practice of veterinary medicine according to terms of that
7 section and the program agreement.

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

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

11 (b) For the aggregate of all tax years, sixty thousand
12 dollars.

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

15 b. (1) Subtract, to the extent included, loan repayments
16 received on an eligible loan under an agreement between a
17 taxpayer and a nongovernmental entity. If the taxpayer meets
18 the eligibility requirements of section 256.226 and fulfills
19 the obligation to engage in the practice of veterinary medicine
20 according to the terms of that section and the agreement.

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

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

24 (b) For the aggregate of all tax years, sixty thousand
25 dollars.

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

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

34 (2) The amount subtracted in subparagraph (1) shall not
35 exceed the amount of the loan and related tax liability

1 payments or fifty-five thousand six hundred dollars per year,
2 whichever is less.

3 EXPLANATION

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

6 GENERAL. This bill amends a number of Code chapters
7 relating to agriculture, including providing for the powers and
8 duties of the department of agriculture and land stewardship
9 (DALs). The bill provides for the promotion and regulation
10 of commodities and regulation by DALs, including fees, and
11 the transportation of agricultural items by the department
12 of transportation (DOT). The bill provides for the use of
13 agricultural land, including agricultural tourism. The bill
14 also provides for taxation, including property taxes, the
15 excise tax, the sales and use tax, and income tax.

16 DIVISION I — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
17 — PROMOTION — RENEWABLE FUEL INFRASTRUCTURE — BACKGROUND.
18 Code chapter 159A, subchapter II, authorizes DALs to administer
19 a renewable fuel infrastructure program for retail motor fuel
20 sites (Code section 159.14) and a renewable fuel infrastructure
21 program for biodiesel terminal facilities (Code section
22 159A.15). The purpose of the program is to finance the
23 improvement of facilities used to store, blend, or dispense
24 renewable fuels, commonly derived from corn or soybeans. The
25 programs are supported by the renewable fuel infrastructure
26 fund (Code section 159A.16), which is appropriated \$5 million
27 each fiscal year (Code section 159.17).

28 DIVISION I — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
29 — PROMOTION — RENEWABLE FUEL INFRASTRUCTURE — BILL'S
30 PROVISIONS. This division increases the amount of moneys
31 appropriated from the renewable fuel infrastructure fund each
32 fiscal year for administrative costs incurred by DALs from
33 \$100,000 to \$150,000.

34 DIVISION II — DEPARTMENT OF AGRICULTURE AND LAND
35 STEWARDSHIP — PROMOTION — BACKGROUND. Code chapter 189

1 authorizes DALs to administer a number of programs providing
2 for the promotion of agriculture in this state. The Code
3 chapter provides for the financing of the programs, including
4 the creation of a choose Iowa fund (Code section 187.201). The
5 Code chapter provides for a choose Iowa promotional program
6 that supports the marketing of agricultural commodities and
7 processed products originating from Iowa farms (Code section
8 187.301). The choose Iowa program allows a person to register
9 as a seller of Iowa commodities and products and receives the
10 right to use a legally protected logo under a paid license
11 (Code sections 187.302 and 187.303). The Code chapter includes
12 a choose Iowa food purchasing program that supports Iowa
13 food banks and emergency feeding operations (Code section
14 187.311). A farm or business enrolled in the choose Iowa
15 program is provided a preference to participate in the choose
16 Iowa food purchasing program. Under Code chapter 190A, DALs
17 also administers a farm-to-school program to support schools
18 and school districts in purchasing food products derived from
19 food commodities produced on Iowa farms (Code section 190A.6).
20 A dairy innovation program authorizes DALs to provide financing
21 to an eligible business in the form of a grant, low-interest
22 loan, or forgivable loan in order to expand dairy processing
23 capacity in Iowa (Code section 187.311).

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

30 PART B — CHOOSE IOWA PROMOTIONAL PROGRAMS — BILL'S
31 PROVISIONS. Under this part, DALs may adopt administrative
32 rules providing for criteria for enrollment in the choose
33 Iowa promotion program. The part establishes a choose Iowa
34 school purchasing program based on the current farm-to-school
35 program, which is eliminated. Under the new program, an

1 eligible participant is reimbursed on a matching basis with
 2 DALs contributing \$1 for every \$1 expended by the eligible
 3 participant. The division renames the choose Iowa food
 4 purchasing program to the choose Iowa food bank program. The
 5 part provides that to participate in the program, a farm or
 6 business must be enrolled as a member of the choose Iowa
 7 promotional program. The part eliminates a provision providing
 8 that not more than \$200,000 may be used by DALs to reimburse
 9 Iowa food banks and Iowa emergency feeding organizations. The
 10 part eliminates a provision that terminates the program on July
 11 1, 2030. Finally, the part transfers several Code sections
 12 including Code section 159.25, which establishes an Iowa seal
 13 for agricultural products.

14 PART C — INNOVATION AND REVITALIZATION PROGRAMS — BILL'S
 15 PROVISIONS. This part provides priority to a beginning
 16 farmer applying to participate in the dairy innovation and
 17 revitalization program. The part creates a butchery innovation
 18 revitalization program, modeled on the dairy innovation
 19 and revitalization program, that promotes the development,
 20 modernization, and expansion of this state's butchery industry.
 21 The part also eliminates a similar program administered by the
 22 economic development authority (Code section 15E.370).

23 DIVISION III — DEPARTMENT OF AGRICULTURE AND LAND
 24 STEWARDSHIP REGULATION — ANIMAL HEALTH — BACKGROUND. Code
 25 chapter 163 authorizes DALs to regulate animal health and
 26 specifically control infectious or contagious diseases
 27 (disease) afflicting livestock populations (Code chapter 163).
 28 The term "control" refers to prevention, suppression, or
 29 eradication efforts (Code section 163.2).

30 DIVISION III — ANIMAL HEALTH — BILL'S PROVISIONS. This
 31 division authorizes DALs to lease facilities in order to
 32 control an infectious or contagious disease or provide for
 33 a foreign animal disease preparedness and response effort
 34 (Code section 162.2A). The division also provides that
 35 notwithstanding Code chapter 22, information collected by DALs

1 relating to such disease is confidential, if the information
2 identifies the name, address, and contact information of a
3 person owning or caring for an animal suspected of or being
4 affected with a disease; or any location where an animal
5 suspected of or being affected with the disease has been kept.

6 DIVISION IV — DEPARTMENT OF AGRICULTURE AND LAND

7 STEWARDSHIP REGULATION — WEIGHTS AND MEASURES — BACKGROUND.

8 DALs is authorized to regulate standard weights and measures
9 under a number of Code chapters, with many of its provisions
10 first published in the 1851 Code (Code chapters 210, 213, 214,
11 and 215). Generally, standards must comply with or be supplied
12 by the federal government or approved as being in compliance
13 with those established by a United States agency, the national
14 institute of standards and technology (NIST). Many of Iowa's
15 Code provisions regulating standards provide for the inspection
16 of commercial weighing and measuring devices that are used
17 to establish size, quantity, area, or another quantitative
18 measurement of a commodity when sold (Code section 215.1).

19 DIVISION IV — DEPARTMENT OF AGRICULTURE AND LAND

20 STEWARDSHIP — REGULATION — WEIGHTS AND MEASURES — BILL'S

21 PROVISIONS. This division provides that the secretary of
22 agriculture may designate the bureau chief of the department's
23 weights and measures bureau to act as the state metrologist
24 of weights and measures (Code section 213.1). The state
25 metrologist is authorized to cooperate with NIST. A provision
26 requiring all weights and measures sealed by the state
27 metrologist to be impressed with the word "Iowa" is eliminated.
28 The division provides that DALs is no longer required to
29 inspect all commercial weighing and measuring devices unless
30 it receives a complaint (Code section 215.1A). In lieu of
31 an inspection, DALs may order the owner of the device or a
32 service agency that installed, serviced, or repaired the
33 device, to deliver to DALs one or more of the service agency's
34 most recent test reports documenting the device's accuracy.
35 Several exceptions apply that require the inspection of a

1 device including a motor fuel pump (Code section 214.11), a
2 moisture-measuring device (Code section 215A.2), and a charging
3 station (Code section 452A.41). The division makes several
4 changes to enhance the Code's readability including updating
5 or correcting references to Code chapter 215. The division
6 eliminates a provision that requires DALs to conduct a test
7 of a measuring device based on a request of any person (Code
8 section 213.3) and a provision requiring a city to pay for
9 expenses directly incurred in furnishing a city with standards
10 (Code section 213.7).

11 DIVISION V — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
12 REGULATION — GRAIN MARKETING — BACKGROUND. DALs regulates
13 grain marketing transactions under three interrelated
14 Code chapters. The first two Code chapters regulate grain
15 marketers, including Code chapter 203 providing for the
16 regulation of a grain dealer purchasing grain from a seller and
17 Code chapter 203C providing for the regulation of a warehouse
18 operator storing grain for a depositor. Code chapter 203D
19 establishes the grain depositors and sellers indemnity fund
20 (indemnity fund) created to indemnify a seller or depositor
21 against a financial loss due to the management of the grain by
22 grain dealer or warehouse operator.

23 Under Code chapter 203, in a cash sale transaction, a grain
24 dealer must pay the seller the purchase price for grain upon
25 the grain's delivery or upon demand for payment by the seller
26 (Code section 203.8). Delivery occurs when title to and
27 possession of the grain is transferred to the grain dealer or
28 another person in accordance with the terms of the contract
29 (Code section 203.8). One special type of sale is the use
30 of a credit-sale contract in which a grain dealer enters a
31 contract with a seller for the sale of grain and delivery of
32 the grain has occurred but payment has not been made either
33 because the price has not been agreed to (a deferred-pricing
34 contract) or the price has been agreed to but payment is to
35 be made more than 30 days later (a deferred-payment contract)

1 (Code section 203.15). Under both Code chapters 203 and
2 203C, DALS regulates a grain dealer and warehouse operator by
3 issuing a license and conducting inspections of their business
4 operations. A grain dealer or warehouse operator must be
5 issued either a class 1 or class 2 license based on the size
6 of the business operation with a class 1 license requiring
7 higher net worth requirements (Code sections 203.3 and 203C.6).
8 However, a class 1 license is required for a grain dealer who
9 enters into a credit-sale contract regardless of the size of
10 the grain dealer's operation. A class 1 or class 2 licensee
11 must annually submit to DALS a financial statement accompanied
12 by an unqualified opinion based upon an audit performed by a
13 certified public accountant (CPA) licensed in this state. In
14 2025, the general assembly enacted 2025 Iowa Acts, chapter 105
15 (2025 Act), which eliminated provisions that allowed a licensed
16 grain dealer or licensed grain warehouse operator to submit a
17 financial statement accompanied by a report of a state-licensed
18 CPA based upon a review in lieu of an unqualified opinion. The
19 2025 Act allowed the indemnity fund to cover a loss arising
20 from a deferred-payment contract (Code sections 203D.6 and
21 203D.6A). The 2025 Act also provided a separate process for
22 a seller to be indemnified for a loss resulting from the
23 seller having received from the grain dealer an amount from
24 the purchased grain that the seller was required to later pay
25 back to the grain dealer's bankruptcy estate (Code section
26 203D.6A). A license of a grain dealer or warehouse operator
27 may cease due to any one of three causes, including revocation
28 by DALS, cancellation by the grain dealer, or the expiration
29 of the license by operation of law. All of these causes are
30 covered under Code sections 203.10 and 203C.10. Upon any of
31 these causes, a seller may claim the purchase price for the
32 sold grain, which may trigger a claim for a loss under the
33 indemnity fund.

34 DIVISION V — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
35 — REGULATION — GRAIN MARKETING — BILL'S PROVISIONS. Parts A

1 and B of this division amend Code sections 203.3 and 203C.6A by
 2 allowing a grain dealer (except a grain dealer entering into a
 3 credit-sale contract) or a warehouse operator to again submit a
 4 financial statement accompanied by a report of a state-licensed
 5 CPA based upon a review in lieu of an unqualified opinion.
 6 Parts A and B of the division amend Code section 203.8 by
 7 providing that unless title to grain was previously transferred
 8 pursuant to an ordinary cash sale contract, title to grain
 9 sold by credit-sale contract is deemed to have transferred to
 10 the grain dealer upon two conditions: (1) the credit-sale
 11 contract is signed by both the grain dealer and the seller
 12 and (2) the grain dealer or another person has possession of
 13 the grain in accordance with the terms of the credit-sale
 14 contract. The bill provides that a claim for a loss incurred
 15 by a seller or depositor may be triggered by the filing of a
 16 bankruptcy petition by a grain dealer or warehouse operator.
 17 The bill also amends a number of provisions that refer to the
 18 revocation, cancellation, or expiration of the license by
 19 instead referring to either Code section 203.10 or 203C.10,
 20 which describe those types of actions. Part C of the division
 21 amends Code section 203D.6 by providing for the indemnification
 22 of a seller for grain purchased by a grain dealer that the
 23 seller was required to pay back later in bankruptcy. The claim
 24 may proceed upon a determination that an eligible repayment
 25 claim was filed with DALs by the seller as required by statute.
 26 Finally, part C of the division amends Code section 203D.6A
 27 by providing for the timeliness of a repayment claim in the
 28 case of a bankruptcy court's default judgment. In that case,
 29 the seller must file a claim not later than 60 days after
 30 the court's judgment or a settlement agreement is approved,
 31 whichever is later.

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

35 PART A — MILK HAULERS — BACKGROUND. Under Code chapter

1 321E, the department of transportation (DOT) and local
2 authorities regulate the weight of motor vehicles traveling on
3 a street, road, or highway, including by issuing permits (Code
4 section 321E.2). DOT is authorized to issue annual permits
5 for the operation of vehicles or combinations of vehicles
6 transporting fluid milk products to or from a milk plant,
7 receiving station, or transfer station. The weight limitation
8 is 96,000 pounds on primary roads and primary road extensions
9 in cities. A person who violates the weight provisions is
10 subject to a fine according to a schedule based on the number
11 of pounds of overload beginning at \$12.

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

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

26 PART B — IMPLEMENTS OF HUSBANDRY — BILL'S PROVISIONS. This
27 part provides that an implement of husbandry (a vehicle or
28 equipment used in agricultural production) has the same feet
29 requirement as construction equipment.

30 DIVISION VII — AGRICULTURAL TOURISM — BACKGROUND. Code
31 chapter 673A, referred to as the "Iowa Agricultural Tourism
32 Promotion Act" (Code section 673A.1), limits the liability of
33 certain persons involved in agricultural tourism on a farm
34 (agricultural tourism farm) when a cause of action by a visitor
35 to the farm (agricultural tourist) alleges an injury, loss, or

1 death due to any of the following: (1) an inherent risk of
2 farming associated with a farming activity, (2) the failure of
3 the agricultural tourist to comply with an instruction while
4 visiting the agricultural tourism farm, or (3) the injury,
5 loss, or death occurred at a place a reasonable person would
6 not enter, which may be based on a posted notice (Code section
7 673A.4).

8 DIVISION VII — AGRICULTURAL TOURISM — BILL'S PROVISIONS.

9 This division expands the scope of the liability protection
10 provided to persons engaged in agricultural tourism by amending
11 definitions in Code section 673A.3. The division provides that
12 a farm includes a tree farm, and that a farm crop includes
13 a plant used for energy or decoration. The division also
14 provides that a farm crop described as edible or ornamental
15 produce includes nuts, maple syrup, mushrooms, and Christmas
16 trees. Finally, a farm crop includes lumber, pulpwood,
17 cordwood, and honey.

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

30 DIVISION VIII — LAND USE — BILL'S PROVISIONS. This
31 division amends Code section 335.2 by providing that an
32 agricultural purpose includes an agricultural tourism
33 activity or event, value-added agricultural processing,
34 direct-to-consumer marketing, or other farm-based enterprise
35 that supports the economic viability of a farm. The division

1 amends Code section 335.28 by providing that an agricultural
2 experience includes tourism activities and events, such as
3 recreational, entertainment, dining, celebratory, and overnight
4 lodging opportunities offered on a working farm, so long as
5 the farm's primary use remains agricultural production. The
6 division takes effect upon enactment.

7 DIVISION IX — PROPERTY TAX EXEMPTION — QUALIFIED
8 ABOVEGROUND STORAGE TANKS — BACKGROUND. Generally, real
9 property subject to property tax is assessed locally by either
10 a county or city assessor (Code section 441.1). Code section
11 427A.2 provides that personal property is not subject to
12 property tax and Code section 427A.1 provides a descriptive
13 list of property that is subject to assessment and taxation as
14 real property (buildings, structures, or improvement attached
15 to the land, or placed upon a foundation whether or not
16 attached to the foundation). The Code section also provides a
17 description of real property that is not subject to assessment
18 and taxation as real property.

19 DIVISION IX — PROPERTY TAX EXEMPTION — QUALIFIED
20 ABOVEGROUND STORAGE TANKS — BILL'S PROVISIONS. This
21 division provides another exemption applicable to a qualified
22 aboveground storage tank that would otherwise be subject to
23 assessment and taxation as real property. The aboveground
24 storage tank must have a capacity of 91,000 gallons or less,
25 regardless of its use. The division makes inapplicable a
26 provision in the "State Mandates Act" (Code chapter 25B) that
27 governs the funding of a property tax credit or exemption
28 (credit or exemption). Specifically, Code section 25B.7
29 provides that if a state enacts legislation creating a credit
30 or exemption, a political subdivision (county, city, or school
31 district) is required to extend to the taxpayer only that
32 portion of the credit or exemption estimated by the department
33 of revenue to be funded by a state appropriation. The division
34 takes effect upon enactment and applies retroactively to
35 assessment years beginning on or after January 1, 2025.

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

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

27 DIVISION XI — SALES AND USE TAX EXEMPTION — HONEYBEES —
28 BACKGROUND. Code chapter 423 provides for Iowa's streamlined
29 sales and use tax provisions. The state sales tax is imposed
30 on the sales price of all sales of tangible personal property
31 and from the furnishing of enumerated services sold at retail
32 to the ultimate consumer or user of the property or services
33 (Code section 423.2). As a complement to the sales tax, the
34 use tax is imposed on the purchase price of all tangible
35 personal property or enumerated services purchased for use in

1 Iowa and used in Iowa. There are a number of exemptions to the
2 sales tax and, with a few exceptions, the same exemptions apply
3 to the use tax (Code section 423.5).

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

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

15 PART A — INCOME TAX EXEMPTION — FARM TENANCIES —
16 BACKGROUND. A retired farmer leasing real property under a
17 farm tenancy agreement may qualify as an eligible individual
18 electing to subtract (exclude) rent payments from the
19 computation of net income (Code section 422.7). In order to
20 make this election, the retired farmer must either be disabled
21 or at least 55 years old. In addition, the retired farmer must
22 have materially participated in a farming business for 10 years
23 in the aggregate, and held the leased property for 10 years
24 (Code section 422.17). A farm tenancy agreement is a writing
25 that creates a leasehold in which the owner-lessor transfers
26 that property to a tenant-lessee for farming including the
27 production of a crop or livestock (Code chapter 562) in
28 exchange for receiving a rent payment, including on a cash or
29 commodity share basis. The eligible individual is prohibited
30 from claiming a duplicative tax adjustment under (1) the
31 capital gains exemption for the sale of real property used in a
32 farming business (Code section 422.7(13)), or (2) the beginning
33 farmer tax credit for the lease of agricultural assets (Code
34 chapter 16, subchapter VIII, part 5, subpart B).

35 PART A — INCOME TAX EXEMPTION — FARM TENANCIES — BILL'S

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

23 PART B — VETERINARY PRACTICE — BACKGROUND. Code section
24 256.226 establishes a rural veterinarian loan repayment
25 program administered by the college student aid commission
26 (commission). The purpose of the program is to provide for
27 the repayment of a student loan to an individual who agrees
28 to practice for four years as a licensed veterinarian in a
29 rural area referred to as a rural service commitment area
30 or a veterinary shortage area pursuant to a loan repayment
31 agreement. The amount of repayment cannot exceed \$15,000
32 annually or a total of \$60,000 or the amount of the outstanding
33 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,
3 subject to the restrictions provided in the program. The
4 amount subject to the exclusion cannot exceed \$15,000 per tax
5 year, and an aggregate of \$60,000 for all tax years. However,
6 in any case, the excluded amount cannot exceed the amount of
7 the outstanding eligible loan. The same exclusion applies
8 to income attributable to a loan repayment received from
9 two alternative sources. The first alternative source is a
10 nongovernmental entity. In that case, the taxpayer must meet
11 the same eligibility requirements and is subject to the same
12 amount limitations as applies under the rural veterinarian
13 loan repayment program administered by the commission. The
14 second alternative source is under the federal veterinary
15 medicine loan repayment program administered by the United
16 States department of agriculture. In that case, the amount is
17 limited to not more than the amount of the loan and related tax
18 liability payments or \$55,600 per year, whichever is less.