

House Study Bill 588 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
AGRICULTURE AND LAND
STEWARDSHIP BILL)

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:

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DIVISION I

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP — PROMOTION —
RENEWABLE FUEL INFRASTRUCTURE

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

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

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

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

DIVISION II

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP — PROMOTION
PART A
GENERAL

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

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

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

3. Moneys in the fund are appropriated to the department and shall be used exclusively to administer the programs created in [this subchapter chapter](#) as determined and directed by the department, and shall not require further special authorization

1 by the general assembly.

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PART B

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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, subsection 7, Code 2026, is amended
13 by striking the subsection.

14 Sec. 10. Section 190A.5, subsection 3, Code 2026, is amended
15 to read as follows:

16 3. Moneys in the fund are appropriated to support
17 the farm-to-school program in a manner determined by the
18 department, including for reasonable administrative costs
19 incurred by the department. However, the department shall
20 not expend more than four percent of moneys existing at any
21 one time in the fund during each fiscal year for purpose of
22 paying costs associated with the administration of the program
23 and fund incurred by the department during that fiscal year.
24 Moneys expended from the fund shall not require further special
25 authorization by the general assembly.

26 Sec. 11. REPEAL. Section 190A.6, Code 2026, is repealed.

27 Sec. 12. CODE EDITOR DIRECTIVE.

28 1. The Code editor is directed to make the following
29 transfers:

30 a. Section 187.331 to section 187.308.

31 b. Section 159.25 to section 187.309.

32 2. The Code editor shall correct internal references in the
33 Code and in any enacted legislation as necessary due to the
34 enactment of this section.

35 PART C

1 INNOVATION AND REVITALIZATION PROGRAMS

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

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

6 Sec. 14. NEW SECTION. 187.315 **Butchery innovation and**
7 **revitalization program.**

8 1. A butchery innovation and revitalization program is
9 created within the department. The purpose of the program is
10 to promote the development, modernization, and expansion of
11 this state's butchery industry.

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

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

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

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

21 d. To expand or refurbish an existing, or to establish a
22 new, mobile slaughter unit that operates in compliance with
23 the most current mobile slaughter unit compliance guide issued
24 by the United States department of agriculture food safety and
25 inspection service.

26 e. To rent buildings, refrigeration facilities, freezer
27 facilities, or equipment necessary to expand processing
28 capacity, including mobile slaughter or refrigeration units
29 used exclusively for meat or poultry processing.

30 3. The department shall establish eligibility criteria for
31 the program. The eligibility criteria must include all of the
32 following:

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

34 b. The business must not have been subject to any regulatory
35 enforcement action related to federal, state, or local

1 environmental, worker safety, food processing, or food safety
2 laws, rules, or regulations within the last five years.

3 *c.* The business must only employ individuals legally
4 authorized to work in this state.

5 *d.* The business must not currently be in bankruptcy.

6 *e.* The business must employ less than two hundred full-time
7 nonseasonal individuals.

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

11 5. Applications for financial assistance under this section
12 shall be accepted during one or more annual application periods
13 established by the department. Upon reviewing and scoring all
14 applications that are received during an application period,
15 and subject to the availability of moneys, the department may
16 award financial assistance to eligible businesses. A financial
17 assistance award shall not exceed the amount of eligible
18 project costs included in the eligible business's application.
19 Priority shall be given to eligible businesses whose proposed
20 project or projects under subsection 2 are most likely to do
21 one or more of the following:

22 *a.* Create new jobs.

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

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

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

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

31 DIVISION III

32 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP REGULATION —

33 ANIMAL HEALTH

34 Sec. 16. Section 163.1, Code 2026, is amended by adding the
35 following new subsection:

1 NEW SUBSECTION. 7A. Lease facilities in order to carry out
2 and administer the provisions of this chapter related to an
3 infectious or contagious disease or a foreign animal disease
4 preparedness and response effort.

5 Sec. 17. NEW SECTION. 163.2B **Confidentiality.**

6 1. Notwithstanding section 22.7, all information and
7 records relating to an infectious or contagious disease
8 received or collected by the department pursuant to this
9 chapter, including rules adopted under this chapter by the
10 department, is confidential to the extent it identifies any of
11 the following:

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

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

18 c. Information that when considered together leads to the
19 identity of a person described in paragraph "a" or a location or
20 premises described in paragraph "b".

21 2. Notwithstanding subsection 1, the department, in
22 acting as the lawful custodian of the confidential record, may
23 disclose the record or any part of the record if it is deemed
24 necessary by the state veterinarian to protect the public
25 health or the health or well-being of animals within the state.

26 DIVISION IV

27 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP — REGULATION

28 — WEIGHTS AND MEASURES

29 Sec. 18. Section 210.1, Code 2026, is amended to read as
30 follows:

31 210.1 ~~Standard established~~ **Weights and measures standards —**
32 **compliance with federal law.**

33 ~~The weights and measures which have been presented by the~~
34 ~~department to the United States national institute of standards~~
35 ~~and technology and approved, standardized, and certified by~~

1 ~~the institute in accordance with the laws of the Congress of~~
2 ~~the United States shall be the standard weights and measures~~
3 ~~throughout the state~~ regulated under this chapter shall conform
4 with Iowa's state primary standard of weights and measures as
5 described in section 215.1B.

6 Sec. 19. Section 213.1, Code 2026, is amended to read as
7 follows:

8 **213.1 State metrologist.**

9 The ~~department~~ secretary of agriculture may designate
10 ~~one of its assistants~~ the bureau chief of the department's
11 weights and measures bureau to act as state metrologist
12 of weights and measures. ~~All weights and measures sealed~~
13 ~~by the state metrologist shall be impressed with the word~~
14 ~~"Iowa."~~ The bureau chief is the appropriate state official
15 responsible for cooperating with the national institute of
16 standards and technology as defined in section 215.1 and in the
17 administration of weights and measures as regulated in this
18 subtitle.

19 Sec. 20. Section 213.2, Code 2026, is amended to read as
20 follows:

21 **213.2 ~~Physical~~ United States standards — conformity.**

22 ~~Weights and measures, which conform to the standards of the~~
23 ~~United States national institute of standards and technology~~
24 ~~existing as of January 1, 1979, that are metrologically~~
25 ~~traceable to the United States standards supplied by the~~
26 ~~federal government or approved as being in compliance with~~
27 ~~its standards~~ recognized by the national ~~bureau~~ institute of
28 standards and technology shall be ~~the Iowa's~~ state primary
29 standard of weights and measures as verified by the department.
30 ~~Such~~ The traceable standards of weights and measures shall
31 be verified upon their initial receipt of same by the
32 department and as often as deemed necessary by the ~~secretary~~
33 ~~of agriculture~~ department. The ~~secretary~~ department may
34 ~~provide for the alteration in~~ revise the state primary standard
35 of weights and measures in order to maintain metrological

1 traceability with the ~~standard~~ standards of the ~~United States~~
2 national institute of standards and technology. ~~All such~~
3 ~~alterations~~ The verification or revision shall be made pursuant
4 to rules ~~promulgated~~ adopted by the ~~secretary~~ department in
5 accordance with chapter 17A.

6 Sec. 21. Section 214.3, subsection 1, Code 2026, is amended
7 to read as follows:

8 1. A license fee is imposed on a person who uses or
9 displays for use a commercial weighing and measuring device.
10 The license fee is due the day the department issues the
11 license. The amount of the license fee shall be calculated in
12 accordance with the class or section for devices as established
13 by handbook 44 of the ~~United States~~ national institute of
14 standards and technology.

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

17 1. a. *"Commercial weighing and measuring device" or "device"*
18 means a weight or measure or weighing or measuring device
19 used to establish size, quantity, area or other quantitative
20 measurement of a commodity sold by weight or measurement, or
21 ~~where~~ when the price to be paid for producing the commodity is
22 based upon the weight or measurement of the commodity. ~~The~~
23 ~~term~~

24 b. *"Commercial weighing and measuring device"* includes ~~an~~ any
25 of the following:

26 (1) An accessory attached to or used in connection with
27 a commercial weighing or measuring device when the accessory
28 is so designed or installed that its operation may affect the
29 accuracy of the device. ~~"Commercial weighing and measuring~~
30 ~~device"~~ ~~includes a~~

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

32 Sec. 23. Section 215.1, Code 2026, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 3A. *"National institute of standards and*
35 *technology"* means the national institute of standards and

1 technology established within the United States department of
2 commerce pursuant to 15 U.S.C. §272.

3 Sec. 24. Section 215.1A, Code 2026, is amended to read as
4 follows:

5 **215.1A Inspections.**

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

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

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

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

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

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

27 (b) A moisture-measuring device as required in section
28 215A.2.

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

31 Sec. 25. Section 215.14, subsection 3, Code 2026, is amended
32 to read as follows:

33 3. Before approval by the department, the specifications
34 for a commercial weighing and measuring device shall be
35 furnished to the purchaser of the device by the manufacturer.

1 The approval shall be based upon the recommendation of the
2 ~~United States~~ national institute of standards and technology.

3 Sec. 26. Section 215.19, Code 2026, is amended to read as
4 follows:

5 **215.19 Automatic recorders on scales.**

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

22 Sec. 27. Section 215.23, subsection 2, Code 2026, is amended
23 to read as follows:

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

31 Sec. 28. Section 452A.40, Code 2026, is amended by adding
32 the following new subsection:

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

35 Sec. 29. REPEAL. Sections 213.3 and 213.7, Code 2026, are

1 repealed.

2 Sec. 30. CODE EDITOR DIRECTIVE.

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

5 a. Section 213.1 to section 215.1B.

6 b. Section 213.2 to section 215.1C.

7 c. Section 215.18 to section 215.1D.

8 d. Section 215.1A to section 215.1E.

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

12 DIVISION V
13 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP REGULATION —
14 GRAIN MARKETING
15 PART A
16 GRAIN DEALERS

17 Sec. 31. Section 203.3, subsection 4, paragraph b, Code
18 2026, is amended to read as follows:

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

24 (2) Notwithstanding subparagraph (1), if a grain dealer
25 does not purchase grain by credit-sale contract, the department
26 may 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
30 is qualified because of a limited audit procedure or because
31 the scope of an audit is limited shall not be accepted by the
32 department.

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

1 certified public accountant. The report shall be in lieu of an
2 unqualified opinion based on an audit. However, at any time,
3 upon good cause, the department may require the grain dealer to
4 submit to the department a subsequent financial statement that
5 is 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
12 an audit as required in this paragraph if the department
13 determines that it is necessary to verify the grain dealer's
14 financial status or compliance with this section.

15 Sec. 32. Section 203.3, subsection 5, paragraph b, Code
16 2026, is amended to read as follows:

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

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

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

30 (b) A financial statement that is accompanied by the
31 report of a certified public accountant licensed in this
32 state. The report must be based upon a review performed by the
33 certified public accountant. The report shall be in lieu of an
34 unqualified opinion based on an audit. However, at any time,
35 upon good cause, the department may require the grain dealer to

1 submit to the department a subsequent financial statement that
2 is accompanied by the report.

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

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

12 Sec. 33. Section 203.8, subsection 2, paragraph a, Code
13 2026, is amended to read as follows:

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

19 (2) Unless title to grain was previously transferred
20 pursuant to an ordinary cash sale contract, title to grain sold
21 by credit-sale contract is deemed to have transferred to the
22 grain dealer, or to another person in accordance with the terms
23 of the credit-sale contract, when all of the following occurs:

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

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

29 PART B

30 GRAIN OPERATORS

31 Sec. 34. Section 203C.6, subsection 4, paragraph b, Code
32 2026, is amended to read as follows:

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

1 upon an audit performed by a certified public accountant
2 licensed in this state.

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

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

22 (4) A warehouse operator 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 warehouse
27 operator's financial status or compliance with [this section](#).

28 Sec. 35. Section 203C.6, subsection 5, paragraph b, Code
29 2026, is amended to read as follows:

30 b. (1) The warehouse operator shall submit to the
31 department, as required by the department, a financial
32 statement that is accompanied by an unqualified opinion based
33 upon an audit performed by a certified public accountant
34 licensed in this 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
11 the certified public accountant. The report shall be in lieu
12 of an unqualified opinion based on an audit. However, at any
13 time, upon good cause, the department may require the warehouse
14 operator to submit to the department a subsequent financial
15 statement that is accompanied by the report.

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

19 (4) A warehouse operator 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
22 an audit as required in this paragraph if the department
23 determines that it is necessary to verify the warehouse
24 operator's financial status or compliance with [this section](#).

25 PART C

26 GRAIN DEPOSITORS AND SELLERS INDEMNIFICATION

27 Sec. 36. Section 203D.3A, subsection 2, Code 2026, is
28 amended by adding the following new paragraph:

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

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

34 Sec. 37. Section 203D.6, subsection 8, paragraph a, Code
35 2026, is amended to read as follows:

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

11 Sec. 38. Section 203D.6A, subsection 2, Code 2026, is
12 amended to read as follows:

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

23 DIVISION VI

24 DEPARTMENT OF TRANSPORTATION REGULATION — MOTOR VEHICLES

25 PART A

26 MILK HAULERS

27 Sec. 39. Section 321E.29B, subsection 1, Code 2026, is
28 amended to read as follows:

29 1. Notwithstanding section 321E.8, the ~~department~~
30 permit-issuing authority may issue annual permits for the
31 operation of vehicles or combinations of vehicles transporting
32 fluid milk products to or from a milk plant, receiving
33 station, or transfer station, exceeding the weight limitation
34 of section 321.463 but not exceeding a gross weight of
35 ninety-six one hundred thirty-six thousand pounds, ~~on primary~~

1 ~~roads and primary road extensions in cities.~~ The department
2 shall establish rules regarding minimum distances for axle
3 configurations.

4 Sec. 40. EFFECTIVE DATE. This part of this division of this
5 Act takes effect January 1, 2027.

6 PART B

7 IMPLEMENTS OF HUSBANDRY

8 Sec. 41. Section 321.457, subsection 2, paragraph f, Code
9 2026, is amended to read as follows:

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

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

26 DIVISION VII

27 AGRICULTURAL TOURISM

28 Sec. 42. Section 673A.3, subsection 6, paragraph b, Code
29 2026, is amended to read as follows:

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

1 Sec. 43. Section 673A.3, subsection 9, Code 2026, is amended
2 to read as follows:

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

6 a. A forage or cereal plant, including but not limited to
7 alfalfa, barley, buckwheat, corn, flax, forage, millet, oats,
8 popcorn, rye, sorghum, soybeans, sunflowers, wheat, and grasses
9 used for forage or silage.

10 b. Edible or ornamental produce, including but not limited
11 to fruit such as apples, cherries, peaches, pears, berries, and
12 grapes; vegetables such as asparagus, broccoli, and carrots;
13 lentils; tubers; squashes and pumpkins; gourds; maple syrup;
14 mushrooms; Christmas trees; and flowers.

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

16 DIVISION VIII

17 LAND USE

18 Sec. 44. Section 335.2, Code 2026, is amended by adding the
19 following new subsection:

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

25 Sec. 45. Section 335.28, Code 2026, is amended to read as
26 follows:

27 **335.28 Agricultural ~~experiences~~ experience.**

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

1 agriculture, agricultural practices, agricultural activities,
2 or agricultural products.

3 b. "Agricultural experience" also includes agricultural
4 tourism activities and events, such as recreational,
5 entertainment, dining, celebratory, and overnight lodging
6 opportunities offered on a working farm, so long as the farm's
7 primary use remains agricultural production.

8 2. To assist in the promotion of agricultural experiences,
9 a county shall not require a conditional use permit, special
10 use permit, special exception, or variance for an agricultural
11 experiences experience on property of which the primary use is
12 agricultural production.

13 Sec. 46. EFFECTIVE DATE. This division of this Act, being
14 deemed of immediate importance, takes effect upon enactment.

15 Sec. 47. APPLICABILITY. Any conditional use permit,
16 special use permit, special exception, or variance described
17 in section 335.28, as amended by this division of this Act, is
18 void and unenforceable.

19 DIVISION IX

20 PROPERTY TAX EXEMPTION — QUALIFIED ABOVEGROUND STORAGE TANKS

21 Sec. 48. Section 427A.1, Code 2026, is amended by adding the
22 following new subsection:

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

28 Sec. 49. IMPLEMENTATION. Section 25B.7 shall not apply to
29 this division of this Act.

30 Sec. 50. EFFECTIVE DATE. This division of this Act, being
31 deemed of immediate importance, takes effect upon enactment.

32 Sec. 51. RETROACTIVE APPLICABILITY. This division of this
33 Act applies retroactively to assessment years beginning on or
34 after January 1, 2026.

35 DIVISION X

1 a farm tenancy agreement if the eligible individual receives
2 or is entitled to receive the portion of net income through
3 distributions from an entity taxed as a disregarded entity,
4 a partnership, an S corporation, a trust, or an estate, to
5 the same extent that an eligible individual could subtract
6 net income received directly from the farm tenant rather than
7 passing to the eligible individual through an entity taxed
8 as a disregarded entity, a partnership, an S corporation, a
9 trust, or an estate. For purposes of this paragraph, net
10 income accruing to a grantor trust or to a business entity
11 that is a disregarded entity shall be deemed to have been
12 distributed to its sole owner to the extent the sole owner of
13 such disregarded entity or trust has the right to withdraw or
14 compel distribution of such net income.

15 Sec. 58. EFFECTIVE DATE. This part of this division of this
16 Act takes effect January 1, 2027.

17 Sec. 59. APPLICABILITY. This part of this division of this
18 Act applies to tax years beginning on or after January 1, 2027.

19 PART B

20 VETERINARY PRACTICE

21 Sec. 60. Section 422.7, Code 2026, is amended by adding the
22 following new subsection:

23 NEW SUBSECTION. 46. *a.* Subtract, to the extent included,
24 loan repayments received under a program agreement entered into
25 by a taxpayer who is a loan repayment recipient and the Iowa
26 college student aid commission pursuant to section 256.226, if
27 the taxpayer fulfils the obligation to engage in practice of
28 veterinary medicine according to terms of that section and the
29 program agreement.

30 *b.* The subtraction in paragraph "a" shall not exceed the
31 following limits:

32 (1) For any tax year, fifteen thousand dollars.

33 (2) For the aggregate of all tax years, sixty thousand
34 dollars.

35 (3) In any case, the amount of the outstanding eligible

1 loan.

2

EXPLANATION

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

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

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

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

33 DIVISION II — DEPARTMENT OF AGRICULTURE AND LAND
34 STEWARDSHIP — PROMOTION — BACKGROUND. Code chapter 189
35 authorizes DALs to administer a number of programs providing

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

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

29 PART B — CHOOSE IOWA PROMOTIONAL PROGRAMS — BILL'S
30 PROVISIONS. Under this part, DALs may adopt administrative
31 rules providing for criteria for enrollment in the choose Iowa
32 promotion program. The part establishes a choose Iowa school
33 purchasing program based on the farm-to-school program, which
34 is eliminated. Under the new program, an eligible participant
35 is reimbursed on a matching basis with DALs contributing \$1 for

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

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

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

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

1 person owning or caring for an animal suspected of or being
2 affected with a disease; or any location where an animal
3 suspected of or being affected with the disease has been kept.

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

17 DIVISION IV — DEPARTMENT OF AGRICULTURE AND LAND
18 STEWARDSHIP — REGULATION — WEIGHTS AND MEASURES — BILL'S
19 PROVISIONS. This division provides that the secretary of
20 agriculture may designate the bureau chief of the department's
21 weights and measures bureau to act as the state metrologist
22 of weights and measures (Code section 213.1). The state
23 metrologist is authorized to cooperate with NIST. A provision
24 requiring all weights and measures sealed by the state
25 metrologist to be impressed with the word "Iowa" is eliminated.
26 The division provides that DALs is no longer required to
27 inspect all commercial weighing and measuring devices unless
28 it receives a complaint (Code section 215.1A). In lieu of
29 an inspection, DALs may order the owner of the device or a
30 service agency that installed, serviced, or repaired the
31 device, to deliver to DALs one or more of the service agency's
32 most recent test reports documenting the device's accuracy.
33 Several exceptions apply that require the inspection of a
34 device including a motor fuel pump (Code section 214.11), a
35 moisture-measuring device (Code section 215A.2), and a charging

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

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

21 Under Code chapter 203, in a cash sale transaction, a grain
22 dealer must pay the seller the purchase price for grain upon
23 the grain's delivery or upon demand for payment by the seller
24 (Code section 203.8). Delivery occurs when title to and
25 possession of the grain is transferred to the grain dealer or
26 another person in accordance with the terms of the contract
27 (Code section 203.8). One special type of sale is the use
28 of a credit-sale contract in which a grain dealer enters a
29 contract with a seller for the sale of grain and delivery of
30 the grain has occurred but payment has not been made either
31 because the price has not been agreed to (a deferred-pricing
32 contract) or the price has been agreed to but payment is to
33 be made more than 30 days later (a deferred-payment contract)
34 (Code section 203.15). Under both Code chapters 203 and
35 203C, DALs regulates a grain dealer and warehouse operator by

1 issuing a license and conducting inspections of their business
2 operations. A grain dealer or warehouse operator must be
3 issued either a class 1 or class 2 license based on the size
4 of the business operation with a class 1 license requiring
5 higher net worth requirements (Code sections 203.3 and 203C.6).
6 However, a class 1 license is required for a grain dealer who
7 enters into a credit-sale contract regardless of the size of
8 the grain dealer's operation. A class 1 or class 2 licensee
9 must annually submit to DALS a financial statement accompanied
10 by an unqualified opinion based upon an audit performed by a
11 certified public accountant (CPA) licensed in this state. In
12 2025, the general assembly enacted 2025 Iowa Acts, chapter 105
13 (2025 Act), which eliminated provisions that allowed a licensed
14 grain dealer or licensed grain warehouse operator to submit a
15 financial statement accompanied by a report of a state-licensed
16 CPA based upon a review in lieu of an unqualified opinion. The
17 2025 Act allowed the indemnity fund to cover a loss arising
18 from a deferred-payment contract (Code sections 203D.6 and
19 203D.6A). The 2025 Act also provided a separate process for a
20 seller to be indemnified for a loss resulting from the seller
21 having received from the grain dealer an amount from the
22 purchased grain that the seller was required to later pay back
23 to the grain dealer's bankruptcy estate (Code section 203D.6A).

24 DIVISION V — DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
25 — REGULATION — GRAIN MARKETING — BILL'S PROVISIONS. Parts A
26 and B of this division amend Code sections 203.3 and 203C.6A by
27 allowing a grain dealer (except a grain dealer entering into a
28 credit-sale contract) or a warehouse operator to again submit a
29 financial statement accompanied by a report of a state-licensed
30 CPA based upon a review in lieu of an unqualified opinion.
31 Parts A and B of the division amend Code section 203.8 by
32 providing that 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 upon two conditions: (1) the credit-sale contract

1 is signed by both the grain dealer and the seller and (2) the
2 grain dealer has possession of the grain in accordance with
3 the terms of the credit-sale contract. Part C of the division
4 amends Code section 203D.6 by providing for the indemnification
5 of a seller for grain purchased by a grain dealer that the
6 seller was required to pay back later in bankruptcy. The claim
7 may proceed upon a determination that an eligible repayment
8 claim was filed with DALs by the seller as required by statute.
9 Finally, part C of the division amends Code section 203D.6A
10 by providing for the timeliness of a repayment claim in the
11 case of a bankruptcy court's default judgment. In that case,
12 the seller must file a claim not later than 60 days after
13 the court's judgment or a settlement agreement is approved,
14 whichever is later.

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

18 PART A — MILK HAULERS — BACKGROUND. Under Code chapter
19 321E, the department of transportation (DOT) and local
20 authorities regulate the weight of motor vehicles traveling on
21 a street, road, or highway, including by issuing permits (Code
22 section 321E.2). DOT is authorized to issue annual permits
23 for the operation of vehicles or combinations of vehicles
24 transporting fluid milk products to or from a milk plant,
25 receiving station, or transfer station. The weight limitation
26 is 96,000 pounds on primary roads and primary road extensions
27 in cities. A person who violates the weight provisions is
28 subject to a fine according to a schedule based on the number
29 of pounds of overload beginning at \$12.

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

34 PART B — IMPLEMENTS OF HUSBANDRY — BACKGROUND. Code
35 section 321.457 regulates the maximum length of a motor

1 vehicle or combination of vehicles operated on the highways
2 of this state. A trailer or semitrailer cannot have an
3 overall length in excess of 53 feet when operating in a truck
4 tractor-semitrailer combination. However, a lowboy semitrailer
5 that is designed and exclusively used for the transportation of
6 construction equipment may have an overall length not in excess
7 of 57 feet. A person who violates the length requirement is
8 subject to a scheduled fine of \$260 (Code section 805.8A).

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

13 DIVISION VII — AGRICULTURAL TOURISM — BACKGROUND. Code
14 chapter 673A, referred to as the "Iowa Agricultural Tourism
15 Promotion Act" (Code section 673A.1), limits the liability of
16 certain persons involved in agricultural tourism on a farm
17 (agricultural tourism farm) when a cause of action by a visitor
18 to the farm (agricultural tourist) alleges an injury, loss, or
19 death due to any of the following: (1) an inherent risk of
20 farming associated with a farming activity, (2) the failure of
21 the agricultural tourist to comply with an instruction while
22 visiting the agricultural tourism farm, or (3) the injury,
23 loss, or death occurred at a place a reasonable person would
24 not enter, which may be based on a posted notice (Code section
25 673A.4).

26 DIVISION VII — AGRICULTURAL TOURISM — BILL'S PROVISIONS.
27 This division expands the scope of the liability protection
28 provided to persons engaged in agricultural tourism by amending
29 definitions in Code section 673A.3. The division provides that
30 a farm includes a tree farm, and that a farm crop includes
31 a plant used for energy or decoration. The division also
32 provides that a farm crop described as edible or ornamental
33 produce includes maple syrup, mushrooms, and Christmas trees.
34 Finally, a farm crop includes lumber, pulpwood, and cordwood.

35 DIVISION VIII — LAND USE — BACKGROUND. Code chapter 335

1 provides for county zoning. Code section 335.27 provides that
2 a county zoning ordinance does not apply to land, a farm house,
3 farm barn, farm outbuilding, or other building or structure
4 that is primarily adapted for an agricultural purpose. Code
5 chapter 335.28 provides that a county cannot require a
6 conditional use permit, special use permit, special exception,
7 or variance for agricultural experiences on property primarily
8 used for agricultural production. An agricultural experience
9 is defined to include an agriculture-related activity, as a
10 secondary use in conjunction with agricultural production, on a
11 farm, which activity is open to the public.

12 DIVISION VIII — LAND USE — BILL'S PROVISIONS. This
13 division amends Code section 335.2 by providing that an
14 agricultural purpose includes an agricultural tourism
15 activity or event, value-added agricultural processing,
16 direct-to-consumer marketing, or other farm-based enterprise
17 that supports the economic viability of a farm. The division
18 amends Code section 335.28 by providing that an agricultural
19 experience includes tourism activities and events, such as
20 recreational, entertainment, dining, celebratory, and overnight
21 lodging opportunities offered on a working farm, so long as
22 the farm's primary use remains agricultural production. The
23 division takes effect upon enactment.

24 DIVISION IX — PROPERTY TAX EXEMPTION — QUALIFIED
25 ABOVEGROUND STORAGE TANKS — BACKGROUND. Generally, real
26 property subject to property tax is assessed locally by either
27 a county or city assessor (Code section 441.1). Code section
28 427A.2 provides that personal property is not subject to
29 property tax and Code section 427A.1 provides a descriptive
30 list of property that is subject to assessment and taxation as
31 real property (buildings, structures, or improvement attached
32 to the land, or placed upon a foundation whether or not
33 attached to the foundation). The Code section also provides a
34 description of real property that is not subject to assessment
35 and taxation as real property.

1 DIVISION IX — PROPERTY TAX EXEMPTION — QUALIFIED
2 ABOVEGROUND STORAGE TANKS — BILL'S PROVISIONS. This
3 division provides another exemption applicable to a qualified
4 aboveground storage tank that would otherwise be subject to
5 assessment and taxation as real property. The aboveground
6 storage tank must have a capacity of 91,000 gallons or less,
7 regardless of its use. The division makes inapplicable a
8 provision in the "State Mandates Act" (Code chapter 25B) that
9 governs the funding of a property tax credit or exemption
10 (credit or exemption). Specifically, Code section 25B.7
11 provides that if a state enacts legislation creating a credit
12 or exemption, a political subdivision (county, city, or school
13 district) is required to extend to the taxpayer only that
14 portion of the credit or exemption estimated by the department
15 of revenue to be funded by a state appropriation. The division
16 takes effect upon enactment and applies retroactively to
17 assessment years beginning on or after January 1, 2025.

18 DIVISION X — EXCISE TAX ELIMINATION — GRAIN HANDLING
19 — BACKGROUND. Code section 428.35 relates to the grain
20 handling excise tax of one-fourth mill per bushel upon all
21 grain handled (1/40 of 1 cent per bushel). For purposes of
22 the excise tax, "handling or handled" means the receiving of
23 grain at or in each elevator, warehouse, mill, processing
24 plant, or other facility in this state in which it is received
25 for storage, accumulation, sale, processing, or any other
26 purpose. Generally, real property subject to property tax is
27 assessed locally by either a county or city assessor (Code
28 section 441.1). The amount of excise tax is calculated on the
29 basis of a statement prepared by the department of revenue and
30 filed by the person handling the grain and is due 60 days after
31 the start of the calendar year. The statement records the
32 total number of bushels handled by the person during the prior
33 calendar year. The excise tax is entered on the tax list of the
34 taxing district and revenue collected from the excise tax is
35 distributed to the various taxing authorities within the taxing

1 district in the same manner as general property taxes.

2 DIVISION X — EXCISE TAX ELIMINATION — GRAIN HANDLING —
3 BILL'S PROVISIONS. This division eliminates the special excise
4 tax provision on the handling of grain on January 1, 2027, and
5 the excise tax is no longer assessable for grain handled on or
6 after that date. The division makes inapplicable a provision
7 in the "State Mandates Act" that governs the funding of a
8 property tax credit or exemption.

9 DIVISION XI — SALES AND USE TAX EXEMPTION — HONEYBEES —
10 BACKGROUND. Code chapter 423 provides for Iowa's streamlined
11 sales and use tax provisions. The state sales tax is imposed
12 on the sales price of all sales of tangible personal property
13 and from the furnishing of enumerated services sold at retail
14 to the ultimate consumer or user of the property or services
15 (Code section 423.2). As a complement to the sales tax, the
16 use tax is imposed on the purchase price of all tangible
17 personal property or enumerated services purchased for use in
18 Iowa and used in Iowa. There are a number of exemptions to the
19 sales tax and, with a few exceptions, the same exemptions apply
20 to the use tax (Code section 423.5).

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

24 DIVISION XII — INCOME TAX EXEMPTION — BACKGROUND. Code
25 chapter 422 provides for an Iowa income tax imposed on taxable
26 income of individuals who are residents and nonresidents
27 of this state (Code section 422.5). The Iowa individual
28 income tax is calculated based on the taxpayer's federal
29 adjusted gross income, with designated adjustments including
30 subtractions, that determine net income in order to compute
31 state tax liability (Code section 422.7).

32 PART A — INCOME TAX EXEMPTION — FARM TENANCIES —
33 BACKGROUND. A retired farmer leasing real property under a
34 farm tenancy agreement may qualify as an eligible individual
35 electing to subtract (exclude) rent payments from the

1 computation of net income (Code section 422.7). In order to
2 make this election, the retired farmer must either be disabled
3 or at least 55 years old. In addition, the retired farmer must
4 have materially participated in a farming business for 10 years
5 in the aggregate, and held the leased property for 10 years
6 (Code section 422.17). A farm tenancy agreement is a writing
7 that creates a leasehold in which the owner-lessor transfers
8 that property to a tenant-lessee for farming including the
9 production of a crop or livestock (Code chapter 562) in
10 exchange for receiving a rent payment, including on a cash or
11 commodity share basis. The eligible individual is prohibited
12 from claiming a duplicative tax adjustment under (1) the
13 capital gains exemption for the sale of real property used in a
14 farming business (Code section 422.7(13)), or (2) the beginning
15 farmer tax credit for the lease of agricultural assets (Code
16 chapter 16, subchapter VIII, part 5, subpart B).

17 PART A — INCOME TAX EXEMPTION — FARM TENANCIES — BILL'S
18 PROVISIONS. This part allows a retired farmer to exclude
19 net income because a specific legal entity rather than the
20 retired farmer is the holder of the farm tenancy (leased
21 property). An individual who organizes and operates a business
22 under one of several types of recognized legal or equitable
23 entities may shield personal assets from creditors while income
24 received by such entity is attributed (passes through) to the
25 individual. Specifically, the amended provision applies to net
26 income received by a partnership (general or limited), an S
27 corporation, or a trust or estate (presumably subject to the
28 restrictions of Code chapters 9 and 9I). In addition, the
29 part expressly recognizes another pass-through entity referred
30 to as a "disregarded entity" (DRE). Such an entity must be
31 recognized under state law (e.g., a limited liability company
32 or "LLC"). The equity interest (e.g., a membership interest
33 in an LLC) must be owned by a single individual or a spousal
34 couple. Income received by the DRE passes through the entity
35 to the individual or spousal couple. The part provides that

1 in the case of a DRE or grantor trust, the net income is deemed
2 to be distributed to the sole owner. The part takes effect
3 January 1, 2027, and applies to tax years beginning on and
4 after that date.

5 PART B — VETERINARY PRACTICE — BACKGROUND. Code section
6 256.226 establishes a rural veterinarian loan repayment program
7 administered by the college student aid commission. The
8 purpose of the program is to provide for the repayment of a
9 student loan to an individual who agrees to practice for four
10 years as a licensed veterinarian in a rural area referred to
11 as a rural service commitment area or a veterinary shortage
12 area pursuant to a loan repayment agreement. The amount of
13 repayment cannot exceed \$15,000 annually or a total of \$60,000
14 or the amount of the outstanding eligible loan.

15 PART B — VETERINARY PRACTICE — BILL'S PROVISIONS. This
16 part allows a licensed veterinarian participating in the rural
17 veterinarian loan repayment program to exclude net income
18 attributable to loan payments received under the program,
19 subject to the restrictions provided in the program. The
20 amount subject to the exclusion cannot exceed \$15,000 per tax
21 year, and an aggregate of \$60,000 for all tax years. However,
22 in any case, the excluded amount cannot exceed the amount of
23 the outstanding eligible loan.