

House File 2748 - Reprinted

HOUSE FILE 2748

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2340)

(SUCCESSOR TO HSB 588)

(As Amended and Passed by the House April 8, 2026)

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 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 PART D

1 EFFECTIVE DATE

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

4 DIVISION VI

5 DEPARTMENT OF TRANSPORTATION REGULATION — MOTOR VEHICLES

6 PART A

7 MILK HAULERS

8 Sec. 47. Section 321E.29B, subsection 1, Code 2026, is
9 amended to read as follows:

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

20 Sec. 48. EFFECTIVE DATE. This part of this division of this
21 Act takes effect January 1, 2027.

22 PART B

23 IMPLEMENTS OF HUSBANDRY

24 Sec. 49. Section 321.457, subsection 2, paragraph f, Code
25 2026, is amended to read as follows:

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

1 semitrailer.

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

7 DIVISION VII

8 AGRICULTURAL TOURISM

9 Sec. 50. Section 673A.3, subsection 6, paragraph b, Code
10 2026, is amended to read as follows:

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

17 Sec. 51. Section 673A.3, subsection 9, Code 2026, is amended
18 to read as follows:

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

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

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

31 *c.* Honey.

32 *d.* Hemp as defined in section 204A.2.

33 DIVISION VIII

34 LAND USE

35 Sec. 52. Section 335.2, Code 2026, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 4. As used in subsection 1, an agricultural
3 purpose includes but is not limited to an agricultural tourism
4 activity or event, value-added agricultural processing,
5 direct-to-consumer marketing, or other on-farm enterprises that
6 support the economic viability of the farm.

7 Sec. 53. Section 335.28, Code 2026, is amended to read as
8 follows:

9 **335.28 Agricultural experiences experience.**

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

20 b. "Agricultural experience" also includes agricultural
21 tourism activities, such as recreational, entertainment,
22 dining, or celebratory events, or short-term rental
23 opportunities offered on a working farm, so long as the farm's
24 primary use remains agricultural production.

25 2. To assist in the promotion of agricultural experiences,
26 a county shall not require a conditional use permit, special
27 use permit, special exception, or variance for an agricultural
28 experiences experience on property of which the primary use is
29 agricultural production.

30 Sec. 54. EFFECTIVE DATE. This division of this Act, being
31 deemed of immediate importance, takes effect upon enactment.

32 Sec. 55. APPLICABILITY. Any conditional use permit,
33 special use permit, special exception, or variance described
34 in section 335.28, as amended by this division of this Act, is
35 void and unenforceable.

DIVISION IX

PROPERTY TAX EXEMPTION — QUALIFIED ABOVEGROUND STORAGE TANKS

Sec. 56. Section 427A.1, Code 2026, is amended by adding the following new subsection:

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

Sec. 57. IMPLEMENTATION. Section 25B.7 shall not apply to this division of this Act.

Sec. 58. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 59. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to assessment years beginning on or after January 1, 2026.

DIVISION X

EXCISE TAX ELIMINATION — GRAIN HANDLING

Sec. 60. Section 445.3, subsection 2, Code 2026, is amended to read as follows:

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

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

Sec. 61. REPEAL. Section 428.35, Code 2026, is repealed.

Sec. 62. IMPLEMENTATION. Section 25B.7 shall not apply to the property tax exemption enacted in this Act.

Sec. 63. APPLICABILITY. This division of this Act applies to tax years beginning on or after January 1, 2027.

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DIVISION XI

SALES AND USE TAX EXEMPTION — HONEYBEES

Sec. 64. Section 423.3, Code 2026, is amended by adding the following new subsection:

NEW SUBSECTION. 111. The sales price of honeybees.

DIVISION XII

INCOME TAX EXEMPTIONS

PART A

FARM TENANCIES

Sec. 65. Section 422.7, subsection 14, paragraph e, Code 2026, is amended by striking the paragraph and inserting in lieu thereof the following:

e. Net income from a farm tenancy agreement earned, received, or reported by an entity taxed as a disregarded entity, partnership for federal tax purposes, an S corporation, a trust, or estate is eligible for the election and deduction in this subsection for the portion of net income derived from a farm tenancy agreement if the eligible individual receives or is entitled to receive the portion of net income through distributions from an entity taxed as a disregarded entity, a partnership, an S corporation, a trust, or an estate, to the same extent that an eligible individual could subtract net income received directly from the farm tenant rather than passing to the eligible individual through an entity taxed as a disregarded entity, a partnership, an S corporation, a trust, or an estate. For purposes of this paragraph, net income accruing to a grantor trust or to a business entity that is a disregarded entity shall be deemed to have been distributed to its sole owner to the extent the sole owner of such disregarded entity or trust has the right to withdraw or compel distribution of such net income.

Sec. 66. EFFECTIVE DATE. This part of this division of this Act takes effect January 1, 2027.

Sec. 67. APPLICABILITY. This part of this division of this Act applies to tax years beginning on or after January 1, 2027.

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PART B

VETERINARY PRACTICE

Sec. 68. Section 422.7, Code 2026, is amended by adding the following new subsection:

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

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

- (a) For any tax year, fifteen thousand dollars.
- (b) For the aggregate of all tax years, sixty thousand dollars.
- (c) In any case, the amount of the outstanding eligible loan.

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

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

- (a) For any tax year, fifteen thousand dollars.
- (b) For the aggregate of all tax years, sixty thousand dollars.
- (c) In any case, the amount of the outstanding eligible loan.

c. (1) Subtract, to the extent included, loan repayments and related tax liability payments received by a taxpayer pursuant to the federal veterinary medicine loan repayment program authorized by 7 U.S.C. §3151a and administered by the

1 United States department of agriculture, national institute of
2 food and agriculture.

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