

**CHAPTER 1160****DR. NORMAN E. BORLAUG WORLD FOOD PRIZE DAY***S.F. 2057*

**AN ACT** relating to the designation of a Dr. Norman E. Borlaug World Food Prize Day.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. 1C.12 DR. NORMAN E. BORLAUG WORLD FOOD PRIZE DAY.

The governor of this state is hereby authorized and requested to issue annually a proclamation designating the sixteenth day of October as Dr. Norman E. Borlaug World Food Prize Day and to encourage all governmental entities, civic organizations, schools, and institutions of higher education in the state to observe the day in a manner that emphasizes the meaning and importance of the work, accomplishments, and heroic contributions to humanity of nobel peace prize laureate Dr. Norman E. Borlaug and to give attention and support to the programs and activities of the world food prize which was inspired and created by Dr. Norman E. Borlaug to alleviate poverty, hunger, and malnutrition throughout the world.

Approved May 10, 2002

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**CHAPTER 1161****SALES AND USE TAXES — MISCELLANEOUS PROVISIONS***S.F. 2321*

**AN ACT** relating to sales and use taxes by requiring the department of revenue and finance to collect data on the extent and the effect on taxes of electronic commerce in the state, striking the repeal of the tax treatment of sales where the substance of the transaction is delivered by electronic waves, digitally, or by way of cable or fiber optics, and establishing a committee to enter into multistate discussions on the simplification of the sales and use taxes and including an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. 421.70 ELECTRONIC COMMERCE DATA COLLECTION.

1. **SHORT TITLE.** This section shall be known and may be cited as the “Electronic Commerce and New Economy Data Collection Act”.

2. **PURPOSE.** The purpose of this section is to require the department of revenue and finance to begin collecting valid Iowa-specific data concerning the extent of electronic commerce within Iowa, and to expand the number of factors used when projecting estimated net gains or losses in tax revenues from electronic commerce.

3. **DEFINITIONS.** As used in this section:

a. “Electronic commerce” means business-to-consumer sales conducted via the internet that is subject to taxation levied under chapter 422, division IV, or chapter 423. Electronic commerce includes, but is not limited to, the sale of tangible and intangible goods.

b. “Electronic commerce vendor” means a person engaged in business-to-consumer sales of goods or services.

c. "Person" means a natural person or via the internet any other entity subject to retail sales and use taxation under chapter 422, division IV, or chapter 423.

4. ANNUAL REPORT. The department shall collect primary and supplementary data to accurately measure the level of electronic commerce activity within the state. The primary data set shall include, but is not limited to, the number of electronic commerce vendors domiciled within the state, if obtainable; gross retail sales of electronic commerce vendors domiciled within the state; an estimate of the number of in-state electronic commerce transactions conducted by persons within the state boundaries based on accepted standards of scientific sampling; an estimate of the number of out-of-state electronic commerce transactions conducted by persons within the state boundaries based on accepted standards of scientific sampling; an estimate of the total value of electronic commerce transactions conducted by persons within state boundaries during a fiscal year; a reliable estimate of the use tax revenue that is uncollected due to out-of-state electronic commerce; and a reliable estimate of income, property, excise, and other revenues paid to the state and its political subdivisions by electronic commerce vendors. Collection of primary data shall be considered part of the department's normal duties and shall not require an additional budgetary appropriation. The department shall supplement primary data with information supplied by the United States department of commerce, the United States census bureau, the United States small business administration, any other federal agency collecting electronic commerce data, and if obtainable, affiliated state data centers. The department may use information gathered from private, academic, and nongovernmental entities provided that the source and methodology is clearly stated within the text of the report. The department shall not cite, as authoritative sources, studies conducted by private, academic, and nongovernmental entities that are speculative in nature or based on unscientific methods. In addition, the department shall include an analysis of the financial impact increased sales and use tax collection requirements would have on in-state companies engaged in electronic commerce. The data shall be compiled in the form of an annual report to be delivered to the general assembly no later than February 1 of each year.

5. REPEAL. This section is repealed March 1, 2005.

Sec. 2. Section 422.43, subsection 15, unnumbered paragraph 2, Code Supplement 2001, is amended by striking the unnumbered paragraph.

Sec. 3. Section 423.1, subsection 13, unnumbered paragraph 2, Code Supplement 2001, is amended by striking the unnumbered paragraph.

#### Sec. 4. SALES TAX SIMPLIFICATION — MULTISTATE DISCUSSIONS.

1. AGREEMENT. Delegates appointed pursuant to subsection 2 shall enter into multistate discussions on behalf of this state to consider whether this state should enter into an agreement with one or more other states to do all of the following:

a. Simplify and modernize sales and use tax administration in order to substantially reduce the burden of tax compliance for sellers and for all types of commerce.

b. Establish standards for sales and use tax compliance software and service providers.

c. Establish performance standards for multistate sellers.

2. DELEGATES. For the purposes of this section, delegates shall be appointed as follows:

a. One delegate shall be a member of the house of representatives who is appointed by the speaker of the house of representatives or the delegate's designee who shall also be a member of the house of representatives.

b. One delegate shall be a member of the senate who is appointed by the majority leader of the senate or the delegate's designee who shall also be a member of the senate.

c. Two delegates shall be appointed by the governor, one of whom shall be the director of revenue and finance, or each delegate's designee.

3. RECOMMENDATIONS. After meeting with similar delegations from other states, the delegates shall make recommendations to the general assembly regarding the issues the delegates are required to consider under subsection 1 and any other issue the general assembly may require the delegates to consider.

4. LEGISLATION. If the delegates determine that this state should enter into an agreement with one or more other states, the delegates shall recommend the preparation of legislation to bring this state into substantial compliance with the agreement as a result of the multistate discussions required by this section.

5. DEFINITIONS. In this section, unless the context otherwise requires:

a. "Agreement" means an interstate agreement for simplification and uniformity of taxation among member states in order to reduce the burden of tax compliance for sellers and for all types of commerce.

b. "Seller" means a person that sells, leases, or rents tangible personal property or a service.

c. "State" means a state of the United States and the District of Columbia.

d. "Tax" or "taxes" means the state sales and use taxes imposed under chapter 422, division IV, and chapter 423, or a similar tax imposed by a political subdivision of this state.

6. REPEAL. This section is repealed March 1, 2005.

Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 10, 2002

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## CHAPTER 1162

### STATE AGENCY REGULATORY FUNCTIONS — MISCELLANEOUS REORGANIZATIONS, TRANSFERS, AND REVISIONS

S.F. 2325

**AN ACT** relating to certain state agency regulatory functions by reorganizing the duties of the department of inspections and appeals, transferring the court appointed special advocate program to the department of inspections and appeals, renaming and revising the duties of the state citizen foster care review board, reorganizing the administrative structure of the department of natural resources, providing for legislative review of state agencies, and revising requirements for licensed birth centers.

*Be It Enacted by the General Assembly of the State of Iowa:*

#### DIVISION I

#### DEPARTMENT OF INSPECTIONS AND APPEALS DUTIES

Section 1. Section 10A.101, subsection 1, Code 2001, is amended to read as follows:

1. "Administrator" means ~~the chief administrative law judge, chief inspector, chief investigator, chief auditor, or the~~ a person administering coordinating the administration of a division of the department.

Sec. 2. Section 10A.104, Code 2001, is amended by adding the following new subsection: NEW SUBSECTION. 11. Administer inspection and licensing of social and charitable gambling pursuant to chapter 99B.

Sec. 3. Section 10A.104, subsection 8, Code 2001, is amended to read as follows:

8. Establish by rule standards and procedures for certifying that targeted small businesses are eligible to participate in the procurement program established in sections 73.15 through