

FILED MAR 30 2005

SENATE FILE 395
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 368)
(SUCCESSOR TO SF 276)

Passed Senate, Date 4-5-05 Passed House, Date 4-26-05
Vote: Ayes 50 Nays 0 Vote: Ayes 100 Nays 0
Approved 5/5/05

A BILL FOR

1 An Act relating to the activities of the grape and wine
2 development commission, and providing for the transfer of wine
3 gallonage tax revenues to the grape and wine development fund.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 395

1 Section 1. Section 123.183, subsection 3, paragraph a,
2 Code 2005, is amended by striking the paragraph and inserting
3 in lieu thereof the following:

4 a. Five percent of the revenue collected from the wine
5 gallonage tax on wine imported into this state for sale at
6 wholesale and sold in this state at wholesale shall be
7 deposited in the grape and wine development fund as created in
8 section 175A.5.

9 Sec. 2. Section 175A.3, subsection 1, paragraph a, Code
10 2005, is amended to read as follows:

11 a. Establish and administer grape and wine development
12 programs as provided in section 175A.4 and account for and
13 expend moneys from the grape and wine development fund created
14 pursuant to section 175A.5. Prior to authorizing an
15 expenditure of moneys, the department shall consult with the
16 grape and wine development commission. The commission shall
17 make recommendations to the department regarding the
18 expenditure of moneys to enhance and develop the native wine
19 industry and to provide an infrastructure to encourage the
20 growth of the native wine industry in this state.

21 Sec. 3. Section 175A.3, subsection 2, Code 2005, is
22 amended by adding the following new paragraph:

23 NEW PARAGRAPH. f. Make recommendations to the department
24 regarding a proposed expenditure of funds as provided in
25 subsection 1, paragraph "a".

26 EXPLANATION

27 This bill relates to the activities of the grape and wine
28 development commission, and the transfer of wine gallonage tax
29 revenues to the grape and wine development fund.

30 The bill provides for the deposit in the grape and wine
31 development fund established in Code section 175A.5 of an
32 amount equal to 5 percent of wine gallonage tax revenues as
33 provided in Code section 123.183. The amount deposited would
34 be added to other amounts deposited into the fund and used to
35 carry out grape and wine development programs as provided in

1 Code section 175A.4.

2 The bill additionally provides that the department of
3 agriculture and land stewardship shall, prior to authorizing
4 an expenditure of money from the grape and wine development
5 fund, consult with the grape and wine development commission.
6 The bill provides that the commission shall make
7 recommendations to the department regarding the expenditure of
8 moneys to enhance and develop the native wine industry, and to
9 provide an infrastructure to encourage its growth in Iowa.

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SENATE FILE 395

H-1473

1 Amend Senate File 395, as passed by the Senate, as
2 follows:

3 1. Page 1, by inserting after line 25 the
4 following:

5 "Sec. ____ . Section 175A.3, Code 2005, is amended
6 by adding the following new subsection:

7 NEW SUBSECTION. 3. The department shall submit a
8 report by January 1, annually, to the members of the
9 general assembly providing for an accounting and
10 explanation of how revenue deposited into the fund
11 from the wine gallonage tax was spent in the previous
12 fiscal year, how the revenue is being allocated during
13 the current fiscal year, and anticipated revenue
14 expenditures for the next fiscal year."

15 2. By renumbering as necessary.

By WINCKLER of Scott
JOCHUM of Dubuque
SHOULTZ of Black Hawk

H-1473 FILED APRIL 21, 2005

Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 395 - Wine Revenue, Commission (LSB 2783 SZ)

Analyst: Debra Kozel (Phone: (515) 281-6767) (deb.kozel@legis.state.ia.us)

Fiscal Note Version - New

Description

This Bill transfers five percent of the funds collected from the wine gallonage tax on wine imported into Iowa for sale at wholesale into the Grape and Wine Development Fund. The Fund will be administered by the Department of Agriculture and Land Stewardship and funds will be used for expenditures related to the growth of the Iowa grape and wine industry. The Department will coordinate expenditures with the Iowa Grape and Wine Development Commission.

Background

During the 2001 General Assembly, the Legislature passed legislation that created the Grape and Wine Development Fund to receive funds from the wine gallonage tax with maximum funding of \$75,000 per year. As the number of Iowa commercial grape growers and wine makers increase, additional funding is needed to provide technical expertise to growers and wine manufacturers.

Assumptions

1. During FY 2004, \$4.9 million was collected from the wine gallonage tax.
2. Under this Bill, the Grape and Wine Fund would receive approximately \$250,000 annually.

Fiscal Impact

The estimated fiscal impact of SF 395 is an annual deposit of \$250,000 in the Grape and Wine Development Fund for FY 2006 and each year thereafter.

Sources

Department of Agriculture and Land Stewardship
Alcoholic Beverages Division

/s/ Holly M. Lyons

April 4, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

SENATE FILE 395

AN ACT

RELATING TO THE ACTIVITIES OF THE GRAPE AND WINE DEVELOPMENT
COMMISSION, AND PROVIDING FOR THE TRANSFER OF WINE GALLONAGE
TAX REVENUES TO THE GRAPE AND WINE DEVELOPMENT FUND.

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

Section 1. Section 123.183, subsection 3, paragraph a,
Code 2005, is amended by striking the paragraph and inserting
in lieu thereof the following:

a. Five percent of the revenue collected from the wine
gallonage tax on wine imported into this state for sale at
wholesale and sold in this state at wholesale shall be
deposited in the grape and wine development fund as created in
section 175A.5.

Sec. 2. Section 175A.3, subsection 1, paragraph a, Code
2005, is amended to read as follows:

a. Establish and administer grape and wine development
programs as provided in section 175A.4 and account for and
expend moneys from the grape and wine development fund created
pursuant to section 175A.5. Prior to authorizing an
expenditure of moneys, the department shall consult with the
grape and wine development commission. The commission shall
make recommendations to the department regarding the
expenditure of moneys to enhance and develop the native wine
industry and to provide an infrastructure to encourage the
growth of the native wine industry in this state.

Sec. 3. Section 175A.3, subsection 2, Code 2005, is
amended by adding the following new paragraph:

NEW PARAGRAPH. f. Make recommendations to the department
regarding a proposed expenditure of funds as provided in
subsection 1, paragraph "a".

JOHN P. KIBBIE
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 395, Eighty-first General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved 5/5, 2005

THOMAS J. VILSACK
Governor