

MAR 27 2007
WAYS AND MEANS

HOUSE FILE 704
BY TEIG

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing an agricultural sales tax advisory council,
2 and providing for the elimination of the council.

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

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HF 704

1 Section 1. NEW SECTION. 422.59A AGRICULTURAL SALES TAX
2 COUNCIL.

3 An agricultural sales tax council is established as
4 provided in this section. The council shall act to advise the
5 department regarding agriculture and methods or policies for
6 the effective administration and enforcement of the provisions
7 of this division relating to agriculture including statutory
8 provisions, departmental rules, current and pending
9 interpretations, and proposed changes in law, interpretation,
10 or policy.

11 1. a. The council shall include ten voting members,
12 including persons representing associations interested in
13 agriculture that are requested by the department to each
14 appoint one member to serve on the council. The associations
15 requested to designate a member shall be the Iowa cattlemen's
16 association, the Iowa pork producers association, the Iowa
17 poultry association, the Iowa dairy products association, the
18 Iowa corn growers association, the Iowa soybean association,
19 the Iowa retail federation, the agribusiness association of
20 Iowa, the Iowa institute for cooperatives, and the Iowa farm
21 bureau federation.

22 b. The council shall include four ex officio, nonvoting
23 legislative members, including the following:

24 (1) Two state senators, one appointed by the president of
25 the senate, after consultation with the majority leader of the
26 senate, and one appointed by the minority leader of the
27 senate, after consultation with the president of the senate,
28 from their respective parties.

29 (2) Two state representatives, appointed by the speaker of
30 the house of representatives, after consultation with the
31 majority leader and the minority leader of the house of
32 representatives, from their respective parties.

33 2. A voting member shall serve at the pleasure of the
34 association making the appointment. Members appointed under
35 this section are subject to the requirements of sections 69.16

1 and 69.16A. The association may designate an alternate member
2 to serve as a substitute for an appointed member who cannot
3 attend a council meeting. The alternate member shall have all
4 the powers and duties of the absent member.

5 3. The council shall adopt rules for its proceedings
6 consistent with this section. The council shall meet as
7 provided by the council. However, the council must meet upon
8 the call of the director or upon written request to the
9 director of any four voting members. Six voting members
10 constitute a quorum and the affirmative vote of a majority of
11 the voting members present is necessary for any substantive
12 action to be taken by the council. The majority shall not
13 include any member who has a conflict of interest and a
14 statement by a member that the member has a conflict of
15 interest is conclusive for this purpose. A vacancy in the
16 membership does not impair the duties of the council. The
17 council shall be staffed by a designee of the director who
18 shall be knowledgeable about the administration of this
19 division.

20 4. The department shall consult with the council regarding
21 matters relating to the administration and enforcement of this
22 division as it impacts upon the production of agricultural
23 commodities or the processing of agricultural commodities into
24 products, including the imposition, exemption from imposition,
25 or the collection of taxes under this division. In carrying
26 out this section, the council may request and shall receive
27 information regarding any of the following:

28 a. Rules adopted by the department or rules proposed to be
29 adopted by the department that impact the production of
30 agricultural commodities or the processing of agricultural
31 commodities into products. The department shall notify the
32 council about the following departmental rules that impact the
33 production of agricultural commodities or the processing of
34 agricultural commodities into products:

35 (1) A proposed rule prior to filing a notice of intended

1 action by the department as provided in section 17A.4, or a
2 proposed rule prior to its becoming effective immediately upon
3 filing by the department as provided in section 17A.5.

4 (2) A rule that is being formally reviewed by the
5 department to determine whether the rule should be repealed or
6 amended or a new rule adopted instead, as provided by section
7 17A.7, according to a departmental policy, or according to an
8 executive order issued by the governor.

9 b. Policies and practices regarding the administration or
10 enforcement of this division that impact the production of
11 agricultural commodities or the processing of agricultural
12 commodities into products, including information regarding
13 pending contested case proceedings as provided in section
14 17A.12 or pending prosecutions, a decision or order in a
15 contested case or prosecution, and the status of judicial
16 review of a final agency action as provided in section 17A.19.
17 However, the department is not required to provide information
18 regarding a contested case proceeding or prosecution that is
19 associated with the work product of an attorney, legal
20 strategy, or settlement negotiation.

21 c. Bills sponsored by the department for consideration by
22 the general assembly. The council shall receive a
23 departmental bill prior to the date that the department
24 submits the bill as prepared by the legislative service bureau
25 for filing.

26 5. The council may provide the department with
27 recommendations regarding matters relating to the
28 administration and enforcement of this division as it impacts
29 the production of agricultural commodities or the processing
30 of agricultural commodities into products, including
31 information required to be provided to council under this
32 section. The department shall consider and respond in writing
33 to recommendations made by the council that the department
34 does not adopt or implement. This section does not require
35 the department to delay an agency action if the department

1 determines that any of the following apply:

2 (1) The agency action involves a contested case
3 proceeding.

4 (2) Immediate action is necessary to reduce the risk of
5 harm caused by an emergency condition.

6 (3) The failure of the council to provide the department
7 with a timely recommendation.

8 6. This section is repealed on July 1, 2011.

9 EXPLANATION

10 This bill amends Code chapter 422, and specifically
11 division IV of that chapter providing for the retail sales
12 tax. The chapter is administered by the department of revenue
13 and finance.

14 The bill establishes an agricultural sales tax council,
15 which includes representatives of associations interested in
16 agriculture including organizations representing producers,
17 processors, and retailers. The council also includes four
18 legislative members serving as nonvoting ex officio members.
19 The bill provides for council procedures, many of which are
20 consistent with other bodies created in the Code.

21 The council may advise the department regarding methods or
22 policies for the effective administration and enforcement of
23 the retail tax provisions affecting agriculture. The
24 department of revenue and finance is required to consult with
25 the council regarding matters relating to the administration
26 and enforcement of retail tax provisions that impact the
27 production of agricultural commodities or the processing of
28 agricultural commodities into products. The bill provides
29 that the council is entitled to receive information regarding
30 rulemaking, enforcement actions, and departmental bills. The
31 council may provide the department with recommendations and
32 the department must respond in writing to recommendations that
33 the department does not adopt or implement. This bill
34 provides that the department may avoid consulting with the
35 council if the agency action involves a contested case

1 proceeding or prosecution, there is an emergency, or the
2 council fails to make a timely recommendation.

3 The bill repeals the provisions on July 1, 2011.

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