

New Iowa Legislation Impacting Rural Landowners and Agricultural Businesses (Effective July 1, 2010)

Compiled by Erin C. Herbold, Staff Attorney, ISU Center for Agricultural Law and Taxation

Bill	Title	Relates to/Amends	Contents	Bill History	Lobbyist Declarations	Analysis
<p>HF 2483: Probate/Trust Law</p>	<p><i>An Act relating to trusts and estates including provisions relating to state inheritance tax, uniform transfers to minors, and medical assistance claims...</i></p>	<p>Relates to trusts and estates. Amends Iowa Code §450.4(5), §633.231, §633.304A, §633.356, §633.410, §633A.4502(2), §633A.4502(2), §633A.4604, §633A.6101, §633A.6301(4)</p>	<p>In regards to employer sponsored or provided retirement plan, the portion that is subject to federal income tax when paid to a beneficiary is exempt from Iowa Inheritance Tax (this section is enhanced by new legislation). Major change in new law is to allow electronic transmission of info between DHS and the executor or administrator of an estate on a form approved by DHS. Adds a section relating to trusts and states that if a trustee has provided certification of trust and person refused to pay, deliver or transfer property owed to or owned by trust within reasonable time, they may bring an action for damages sustained by trust, costs of actions, civil penalty ranging from \$500 to \$10,000 (statute of limitations is one year). Trust is not subject to the jurisdiction of the probate court and court shall not issue letters of appointment, unless trust is under continuous court supervision.</p>	<p>Introduced Feb. 18, 2010. Passed House unanimously on Mar. 16, 2010. Passed Senate unanimously on Mar. 18, 2010. Signed by Gov. on Apr. 14, 2010.</p>	<p>For: IA Trust Assn; ISBA Undecided: All others</p>	<p>The primary change is the update allowing electronic transmission of information between DHS and the executor or administrator of an estate.</p>

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<p>HR2282: Judgment Liens on Homesteads</p>	<p><i>An Act relating to judgment liens on homesteads.</i></p>	<p>Relates to judgment liens on homesteads. Amends Iowa Code §624.23.</p>	<p>Specifies that a judgment lien does not attach to real estate claimed as a homestead except as provided in §561.21 (certain prior debts, certain home improvement debts, certain debts created by written contract, etc.). The Bill also provides that a warranty of title by a former occupying homeowner in a conveyance for value constitutes a claim of exemption against all judgments against the current homeowner or the current homeowner's spouse. Bill provides that a claim of lien against homestead is barred unless execution is levied within 30 days of time the defendant or person with interest in real estate has served written demand on the owner of the judgment accompanied by an affidavit setting forth the facts indicating why judgment is not believed to be a lien against real estate.</p>	<p>Introduced Feb. 4, 2010. Passed House unanimously on Feb. 10, 2010. Passed Senate unanimously on Feb. 22, 2010. Signed by Gov. on Mar. 2, 2010.</p>	<p>For: ISBA Undecided: All others</p>	<p>This bill clarifies that most judgment liens do not attach to homes, and eliminates the need for platting of homestead where the property is within limits of §561.1-561.3. Provides that a warranty of title in a conveyance generally constitutes a claim of the homestead exemption against apparent judgment liens.</p>
<p>HF2478: Updates on Revised Uniform LLC Act and Business Corp. Act</p>	<p><i>An Act relating to business organizations, including limited liability companies and business corporations, and providing for fees.</i></p>	<p>Relates to LLC's and Business corps in Iowa. Amends §489.102(20), §489.114, §489.115, §489.116, §489.201 §489.302, §489.806, §490.1420.</p>	<p>The Bill provides that a registered office of an LLC is the same regardless of whether it is formed in this state or another jurisdiction. An LLC has to have a certificate of organization or certificate of authority to do business in this state and must designate a registered agent for purposes of accepting service of process. The registered agent must live in the state and must have the identical street address and registered office. Bill also talks about administrative dissolution of an LLC, gives reasons for such dissolution, such as failure to notify secretary of state of change of registered office.</p>	<p>Introduced Feb. on 17, 2010. Passed House unanimously on Feb. 24, 2010. Passed the Senate unanimously on Mar. 9. Signed by the Gov. on Mar. 22.</p>	<p>For: ISBA Undecided: All others</p>	<p>Essentially a technical corrections Bill</p>

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SF2243 DNR Matters	<i>An Act regarding matters under the purview of the department of natural resources (DNR) and including effective date provisions.</i>	Relates to Greenhouse Gases/ Adds new paragraph to §455B.152; Amends §455B.851(9), §456A.17.	Specifies that the DNR must coordinate with the U.S. Environmental Protection Agency under any federal mandatory greenhouse emission reporting rule. Also makes some technical corrections and adds that the DNR may apply for a loan for the construction of facilities for supply, treatment and distribution of drinking water under the state pollution control works.	Introduced Feb. 9, 2010. Passed Senate unanimously on Feb. 22, 2010. Passed House unanimous Mar. 2, 2010. Signed by Gov. on Mar. 10, 2010.	For: Isaak Walton League; IA DNR Against: Friends of IA Land Owners and Sportsman Undecided: All others	This bill gives the Iowa DNR the authority to work with the EPA if “climate change” legislation is enacted.
SF 2248 NPDES Permits	<i>An Act relating to permits issued under the National Pollutant Discharge Elimination System (NPDES), and making penalties applicable.</i>	Relates to persons contesting the denial of applications or permits issued under NPDES. Amends § 455B.174(4). New subsection §459.311(1)(A).	Makes technical corrections and adds that if the applicant or permittee timely contests the director’s action, the presiding officer in the resulting contested case proceeding shall be an administrative law judge. New subsection says that a confinement feeding operation that is a CAFO (concentrated animal feeding operation) shall comply with applicable NPDES permit requirements. Any rules adopted here are not to be more stringent than the requirements of the federal Water Pollution Control Act. If §459 is violated a civil penalty not to exceed \$10,000 may be assessed or a judge may assess a civil penalty for up to \$5000 per each day of the violation.	Introduced on Feb. 10, 2010. Passed Senate unanimously on Feb. 18, 2010. Passed house unanimously on Feb. 23, 2010, Signed by Gov. on Mar. 8, 2010.	For: IA Chapter of Sierra Club; IA Dept. of Nat. Resources Undecided: All others	Generally, a CAFO is prohibited from discharging manure directly into a “water of the state” or into a tile line that discharges directly into “water of the state.” This bill states that if a confinement feeding operation is a CAFO under the NPDES then the operation must comply with applicable NPDES permit requirements adopted by the EPA

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<p>SF 2299 Grain Dealer Licenses</p>	<p><i>An Act relating to grain transactions by regulating grain dealers and warehouse operators, providing for fees, and making penalties applicable</i></p>	<p>Relates to grain dealers and warehouse fees. Amends Iowa Code §§203.5, 203D.5, D.6, New subsection 203D.3A</p>	<p>Bill changes fee structure for grain dealers and warehouse operators. Applicant for license must now pay a participation fee instead of annual fee. The Iowa Department of Agriculture (DALS) is required to issue a notice of any delinquency and will suspend a license thirty days after delivery of notice if not paid. Department may also suspend or revoke license if grain dealer discounts the purchase price paid for grain nominally for the participation fee or per-bushel fee. If renewal is for less than a year, fees will be probated. Creates separate account for “grain depositors and sellers indemnity fund” to be managed by state treasurer. Fund includes participation fees, per-bushel fees, delinquency penalties, amounts collected by state by legal action, interest, earnings on investments, etc. Criminal penalties possible. Person who knowingly submits false info to DALS is guilty of fraudulent practice.</p>	<p>Introduced on Feb. 15, 2010.</p> <p>Passed Senate unanimously on Feb. 18, 2010.</p> <p>Passed House unanimously on Feb. 22, 2010.</p> <p>Signed into law by governor on Mar. 22, 2010.</p>	<p>For: Iowa Corn Growers; Agribusiness Association of Iowa; Monsanto Company; Iowa Institute for Cooperatives</p>	<p>This bill discusses the calculation of fees and explains the participation fee and per-bushel fee. Bill allows licensee to pay participation fee in full or in four successive installments. Licensed grain dealer and warehouse operator pay not more than 14/1000 of a cent per bushel assessed on all purchased and stored grain. Licensed warehouse operator pays not more \$500. Minimum payment for a licensee is \$50. Criminal penalties range from Simple Misdemeanors to Class “C” Felonies</p>
<p>HR 2273 Drainage District Bids</p>	<p><i>An Act relating to drainage districts, by modifying the amount of a bid security required to be submitted by bidders proposing to make improvements and modifying the threshold amount requiring the letting of bids to construct an improvement, and including effective date provisions.</i></p>	<p>Modification of bid security/ Amends §468.34, §468.66.</p>	<p>Bidder required to deposit a bid security with the county auditor. When the estimated cost of the improvement is less than \$20,000, the board may let the contract for the construction without taking bids and without publishing notice. Normally, a bidder must submit a bid security which is a bond or other proof of financial responsibility to the auditor in an amount equal to 10 percent of the bid amount or \$10,000, whichever is less. Reduces the percentage of the bid amount required to be pledged from 10% to 5% and eliminates the \$10,000 ceiling.</p>	<p>Introduced on Feb. 3, 2010.</p> <p>Passed House unanimously on Feb. 16, 2010.</p> <p>Passed Senate unanimously on Mar. 8, 2010.</p> <p>Signed into law by Gov. Mar. 22, 2010.</p>	<p>Against: IA Newspaper Assn.</p> <p>For: IA Drainage Dist. Assn.</p> <p>Undecided: All others</p>	<p>This bill increased the amount of money required to let out a contract for drainage districts without bids. Also, clears up the bid security issue for projects over \$20,000.</p>

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<p>HR 2380 Tenant's Right to Above Ground Crop Residue</p>	<p><i>An Act providing for the taking of crops on land classified as a farm tenancy</i></p>	<p>Corn stover (above ground part of a harvested crop)</p>	<p>Creates Iowa Code § 562.5A. In a farm tenancy, the tenant has the right to take part of a harvested crop's aboveground plant, such as corn stover and other crop residue. Tenant may take aboveground residue at the time of harvest or after harvest, until the termination of tenancy. It is important to remember that if the landlord and tenant specify another use or non use for the residue, in writing, then the writing will trump this new code section.</p>	<p>Introduced on Feb. 10, 2010.</p> <p>Passed the House unanimously on Feb. 16, 2010.</p> <p>Passed the Senate unanimously</p> <p>Signed by the Governor on Mar. 3, 2010.</p>	<p>For: Iowa Corn Growers</p> <p>Undecided: Iowa Farm Bureau Federation and the Iowa Pork Producers</p>	<p>Many written farm leases do not address the issue of aboveground residue. Thus, the Iowa legislature enacted this new code section to clarify these issues. A properly constructed and detailed farm lease is important in addressing both the needs of the landlord and the tenant.</p>
<p>HR 2459 Watershed Committee</p>	<p><i>An Act establishing a watershed planning advisory council.</i></p>	<p>Establishes a watershed council. Creates new §466B.10.</p>	<p>Establishes a watershed planning advisory council for purpose of assembling a "diverse group of stakeholders to review research and make recommendations to various state entities regarding methods to protect water resources in the state, assure adequate supply of water, mitigate and prevent floods, and coordinate the management of those resources in a sustainable, fiscally responsible, and environmentally responsible manner."</p>	<p>Introduced Feb. 17, 2010.</p> <p>Passed House unanimously on Feb. 25, 2010.</p> <p>Passed Senate unanimously on Mar. 18, 2010.</p> <p>Signed by Gov. Mar. 30, 2010.</p>	<p>For: IA Natural Heritage Foundation; Rebuild Iowa Office; Conservation Districts of IA, IA; Environmental Council; IA League of Cities; IFBF; Metro Waste Authority; IA Assn. of Mun. Util.; IA Rural Water Assn.</p> <p>Against: Deere and Co.</p> <p>Undecided: All others</p>	<p>Most likely developed and added as a response to the states handling of the 2008 flooding. Includes members from the IFBF, Water Pollution Control Assn, Rural Water Association, Growing Green Communities- just to name a few.</p>

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HR 2512 Truck Weight Schedules	<i>An Act concerning weight limits for certain commercial motor vehicles on noninterstate highways.</i>	Relates to weight limit restrictions. Amends §321.463.	Changes wording in §321.463 to maximum gross weight to be carried on “commercial motor vehicles” other than a special truck, on non-interstate highways, provided the vehicle is operated by a person with a CDL valid for the vehicle which applies. Used to say “maximum gross weight for livestock or construction vehicle.”	Introduced on Mar. 2, 2010. Passed House 69-24 on Mar. 19, 2010. Passed Senate 34-11 Signed by Gov. on Mar. 31, 2010.	For: MWA, ICG, IA Renewable Fuels, IPP, Iowa Soybean Assn., IFBF, Agribus. Assn. of IA, IA Inst. for Coops, IA State Assoc. of Counties, Monsanto, West Central Coop, IA State Assn. of County Supervisors. Against: IA Shortline and Regional Railroad, Teamsters Local 238, BSNF Railway, Union Pacific Undecided: All others	Applies to certain six and seven axle commercial motor vehicles. Only applies to vehicles operated on non-interstate vehicles.
HF 2531 (Standings Bill)	<i>An Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by increasing the max allowable local hotel and motel tax rates, by making, increasing, and reducing appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, and providing for properly related matters, and including effective date and retroactive applicability provisions.</i>	Relates to standing appropriations and state and local finances.	Includes standings appropriations of \$5,939,790 for expenses of the general assembly and legislative agencies for 2010 fiscal year, Regional tourism (\$862,028), Property tax credit fund created in office of state treasurer to be used for matters such as reimbursement for the “homestead property tax credit” (\$87,757,913), the reimbursement for the family farm and ag land tax credits (\$32,395,131). Provides for salaries of appointed state officers, state employees of the state board of regents. Provides for miscellaneous provisions for medical assistance programs for the department of human services of \$187,800,000, Iowa Mortgage Help Initiative. Includes a provision regarding actions against bicyclists, requiring motorists to not steer “unreasonably” close to a bicycle on a highway, etc. (A violation is \$250).	Introduced Mar. 23, 2010. Passed House on March. 25, 2010. Passed Senate after several amendments on Mar. 26, 2010. Signed by Gov. on Apr. 29, 2010.	For: City of Coralville, IA; Pharm. Tech. Coalition Against: Okoboji Tourism, Iowa Farm Bureau Federation, Iowans for Tax Relief Undecided: All other lobbyists	This is the general appropriations bill that “cleans up” funding of property tax credits and deals with state funding. This section requires a close reading and explains where state funds are ending up.

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<p>HF 2437</p>	<p><i>An Act relating to private sewage disposal system inspections and groundwater hazard statements as part of certain property transfers.</i></p>	<p>Relates to private sewage inspection/ Amends §455B.172(11), §558.69, §558A.1(4)</p>	<p>When property is transferred, usually a private sewage inspection needs to be done. There are some exceptions. This Act adds four new exceptions (transfer in which transferee intends to demolish building; transfer of property with a system that was installed not more than two years prior to date of transfer; deed arising from a partition proceeding; and tax sale deed issued by the county treasurer). Also adds a requirement that there must be included in a required groundwater hazard statement an acknowledgment if there are no known private sewage disposal systems on the property.</p>	<p>Introduced Feb. 16, 2010. Passed the House unanimously on Feb. 23, 2010. Passed the Senate unanimously on Mar. 16, 2010. Signed by the Governor April 8, 2010.</p>	<p>For: IA. Assn. of Realtors; IA State Assn. of County Sup; IA County Recorders Assn; IA Land Title Assn; ISBA; IA Bankers Assn; IA State Assn. of Counties; IA DNR. Undecided: All other lobbyists</p>	<p>Adds exceptions to the private sewage inspection requirements and gives further guidance on what should be included on a groundwater hazard statement.</p>
<p>SF 2138</p>	<p><i>An Act Relating to the rights of a donee created by an anatomical gift.</i></p>	<p>Relates to interpretation of Iowa's Anatomical Gift Act/ Amends Iowa Code §144C.10(4).</p>	<p>Bill makes a technical change to clarify that the rights of a donee created by an anatomical gift pursuant to the Iowa Revised Uniform Anatomical Gift Act contained in Iowa Code Ch. 142C are superior to the authority of a designee named in a declaration under the final disposition act contained in Iowa Code Ch. 144C. Old code section used to reference that the rights of a donee contained in §142C.11 only were superior to the authority of a designee. Now the entire code chapter (142C) is referenced.</p>	<p>Introduced Jan. 28, 2010. Passed Senate unanimously on Feb. 2, 2010. Passed House unanimously on Mar. 1, 2010. Signed by Governor Mar. 10, 2010.</p>	<p>For: IA Organ Donor Network; ISBA Undecided: IA Medical Society; IA Nurses Assn; IA Osteopathic Med. Assn; IA Funeral Directors; IA Dept. of Public Health</p>	<p>This change was most likely made in response to recent litigation regarding donee intent and the rights of family members after death. See a summary of <i>Alcor Life Extension Found. v. Richardson</i> on our website under Iowa Cases.</p>

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SF 2157	<i>An Act relating to the recording requirements for certain residential real estate installment sales contracts and including applicability provisions.</i>	Relates to time-frame for recording residential real estate installment contracts/ Amends Iowa Code § 558.46.	This amendment to this code section provides that real estate installment sales must be recorded within 90 days rather than 180 days. If a contract seller is required to make a contract disclosure statement for certain real estate installment sales (see Iowa Code §558.70 for applicability) then the installment sales contract must be recorded within 30 days, rather than 45 days.	Introduced Feb. 1, 2010. Passed Senate unanimously on Feb. 15, 2010. Passed House unanimously on Mar. 9, 2010. Signed by Governor on Mar. 19, 2010.	For: IA Assn. of Realtors Undecided: IA Land Title Assn; ISBA; IA Credit Union League	This bill tightens up the time-frame for recording requirements for certain residential real estate installment contracts.