



THOMAS J. VILSACK  
GOVERNOR

**OFFICE OF THE GOVERNOR**

SALLY J. PEDERSON  
LT. GOVERNOR

June 07, 2006

Perry Manzini  
2567 Kennedy St.  
Saint Charles, IA 50240

Dear Perry:

Thank you for your recent comments regarding portions of HF 2797 that would have reclassified canines from licensed facilities as agricultural products. We have line item vetoed this legislation and taken out any references to canines.

We were unable to accept certain provisions in the bill that would have added "canines from licensed facilities" to the list of farm products in the Iowa Code. To include canines to the list of farm products would eliminate a county's ability to address the concerns of neighbors and the impacts such operations would have on adjacent property.

Most zoning ordinances consider commercial dog kennels as "special use" rather than a "permitted use." Special uses generally require public hearings before a Zoning Board of Adjustments, which gives neighbors the right to know and voice input during the review process. Approval of this bill would have eliminated that right.

In addition, we were unable to accept a provision in the bill that would have added "canines from licensed facilities" to the definition of an "agricultural product" in the Iowa Code, which would have eliminated the sales tax on inputs for commercial dog kennels. Simply put, breeding dogs is not equivalent to any of the other activities that fall within the definition of an agricultural product, which includes "flowering, ornamental, or vegetable plants and those products of aquaculture."

Moreover, other services involved in the breeding and rearing of companion animals must charge sales tax, including veterinary and grooming services. There is no compelling reason why commercial dog kennels should enjoy a tax advantage not offered to others in the business of raising companion animals.

Thanks you again for contacting our office regarding this issue.

Sincerely,

Handwritten signature of Thomas J. Vilsack in black ink.

Thomas J. Vilsack  
Governor

Handwritten signature of Sally J. Pederson in black ink.

Sally J. Pederson  
Lieutenant Governor

