

CHAPTER 51
BUTCHERY INNOVATION AND REVITALIZATION PROGRAM

261—51.1(15E) Purpose. Pursuant to Iowa Code section 15E.370, the authority is authorized to provide financial assistance to businesses for projects relating to butchery innovation and revitalization as identified in this chapter.

[ARC 5971C, IAB 10/6/21, effective 9/17/21; ARC 6638C, IAB 11/16/22, effective 10/21/22]

261—51.2(15E) Definitions. For purposes of this chapter, unless the context otherwise requires:

“*Agreement*” means a contract for financial assistance under the program describing the terms on which the financial assistance is to be provided.

“*Applicant*” means a business applying for assistance under the program.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Authority’s website*” means the information and related content found at www.iowaeda.com and may include integrated content at affiliate sites.

“*Board*” means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

“*Business*” means a sole proprietorship, partnership, corporation, or other business entity organized for profit under the laws of the state of Iowa or another state, under federal statutes, or under the laws of another country.

“*CIRAS*” means the center for industrial research and service at Iowa state university of science and technology.

“*Committee*” means the committee of application reviewers appointed by the director and the secretary pursuant to subrule 51.5(1).

“*Department*” means the department of agriculture and land stewardship.

“*Director*” means the director of the authority.

“*Establishment*” means the same as defined in Iowa Code section 189A.2.

“*Federal grant of inspection*” means a certification issued by the Food Safety and Inspection Service certifying that an establishment is in compliance with the applicable requirements of 9 Code of Federal Regulations Chapter III and has been granted daily inspection services by FSIS.

“*Federally inspected small-scale meat processing business*” means an establishment that has been issued a federal grant of inspection and meets eligible business criteria in subrule 51.3(1).

“*Financial assistance*” means assistance provided only from the funds and assets legally available to the authority pursuant to Iowa Code section 15.370 as enacted by 2021 Iowa Acts, House File 857, section 1, and includes assistance in the form of grants, low-interest loans, and forgivable loans.

“*Food Safety and Inspection Service*” or “*FSIS*” means the agency of the United States Department of Agriculture which regulates establishments.

“*Grant*” means an award of assistance with the expectation that, with the fulfillment of the conditions, terms and obligations of the contract with the authority for the project, repayment of funds is not required.

“*Licensed custom locker*” means an establishment that slaughters or prepares livestock exclusively for use by the owners of the livestock, members of their household, and their nonpaying guests and employees, that is periodically inspected by the department, and that meets the eligible business criteria in subrule 51.3(1).

“*Mobile slaughter unit*” means a self-contained slaughter establishment that can travel from site to site, that operates in compliance with applicable laws, regulations, and the most current mobile slaughter unit compliance guide issued by FSIS, and that meets the eligible business criteria in subrule 51.3(1).

“*Program*” means the butchery innovation and revitalization program established pursuant to this chapter.

“*Project*” means an activity or activities undertaken by the applicant to be carried out at an establishment.

“*Secretary*” means the secretary of agriculture, who is the head of the department.

“*State grant of inspection*” means a certification issued by the department certifying that an establishment is in compliance with the applicable requirements of 21—Chapter 76 and has been granted daily inspection services by the department.

“*State-inspected small-scale meat processing business*” means an establishment that has been issued a state grant of inspection and meets the eligible business criteria in subrule 51.3(1).
[ARC 5971C, IAB 10/6/21, effective 9/17/21; ARC 6638C, IAB 11/16/22, effective 10/21/22]

261—51.3(15E) Eligibility.

51.3(1) *Eligible businesses.* To be eligible for a grant under the program, an applicant shall meet all of the following requirements:

a. The business must be located in this state. For the purposes of this paragraph, a business is located in this state if at least 98 percent of the business’s employees work at the business’s operations in Iowa or if the employees that are paid at least 98 percent of the business’s payroll work at the business’s operations in Iowa.

b. The business must be incorporated or organized in Iowa or authorized to do business in Iowa.

c. The business must not have been subject to any regulatory enforcement action related to federal, state, or local environmental, worker safety, food processing, or food safety laws, rules, or regulations within the last five years. For the purposes of this paragraph, regulatory enforcement actions include, but are not limited to, an administrative order, consent order or similar formal order issued by an applicable enforcement agency or an involuntary withdrawal of a state grant of inspection or federal grant of inspection.

d. The business must only employ individuals legally authorized to work in the state.

e. The business must not currently be in bankruptcy.

f. The business must employ less than 50 individuals across all the business’s locations at the time of application.

g. The business must be an establishment that holds a current license from the department in accordance with the requirements of Iowa Code chapter 189A or is actively working with the department to obtain a license. Factors the authority may consider in determining whether a business is actively working with the department to obtain a license include, but are not limited to, the number and frequency of contacts the business has had with the department, whether the business has submitted an application for inspection to the department or FSIS, and whether the department or FSIS has conducted a site visit at the business.

h. The applicant must have an assessment of the applicant’s proposed investment completed by CIRAS prior to submission of an application.

51.3(2) *Eligible projects.* The applicant must propose one of the following types of projects:

a. To expand or refurbish an existing, or to establish a new, state-inspected small-scale meat processing business.

b. To expand or refurbish an existing, or to establish a new, federally inspected small-scale meat processing business.

c. To expand or refurbish an existing, or to establish a new, licensed custom locker.

d. To expand or refurbish an existing, or to establish a new, mobile slaughter unit.

e. To rent or purchase buildings, refrigeration facilities, freezer facilities, or equipment necessary to expand processing capacity, including mobile slaughter or refrigeration units used exclusively for meat or poultry processing by a federally inspected small-scale meat processing business, a licensed custom locker, a mobile slaughter unit, or a state-inspected small-scale meat processing business.

51.3(3) *Matching support required.* The applicant shall demonstrate the ability to provide matching financial support for the project on a one-to-one basis in the form of cash. The matching financial support must be obtained from private sources.

[ARC 5971C, IAB 10/6/21, effective 9/17/21; ARC 6638C, IAB 11/16/22, effective 10/21/22]

261—51.4(15E) Application submittal and review process.

51.4(1) The authority will develop a standardized application process and make information on applying available on the authority's website. To apply for assistance under the program, an eligible business shall submit an application to the authority in the form and manner prescribed by the authority.

51.4(2) Applications will be accepted only during established application periods as announced on the authority's website. Applications will be reviewed in the order received by the authority.

51.4(3) The authority may refuse to accept incomplete applications or may refuse to accept applications because of insufficient funds.

51.4(4) A scoring committee will consider, evaluate, and recommend applications for financial assistance under the program. The committee will review applications for financial assistance and score the applications according to the criteria described in subrule 51.5(2). Applications deemed to meet the minimum scoring criteria will be submitted to the board for a final funding decision.

51.4(5) The board, after considering the recommendations made by the committee, will determine which applications to fund and how much should be awarded to each applicant. The board has final decision-making authority on requests for financial assistance for the program. The board may approve an award, decline to award, or refer an application back to staff for further review and recommendation.

51.4(6) The maximum amount of financial assistance awarded to an eligible business for all applications under the program shall not exceed \$100,000.

51.4(7) Successful applicants will be notified in writing of an award of financial assistance, including any conditions and terms of the award.

[ARC 5971C, IAB 10/6/21, effective 9/17/21; ARC 6638C, IAB 11/16/22, effective 10/21/22]

261—51.5(15E) Application scoring criteria.

51.5(1) *Application scoring.* A scoring committee composed of individuals with relevant expertise and experience will be appointed by the director in consultation with the secretary. The committee will evaluate the applications and give them an average numerical score between 0 and 100.

51.5(2) *Scoring criteria.* The criteria under which each application will be scored are:

a. The extent to which the project expands processing capacity or increases efficiency: 25 points. Projects that benefit local small-scale farmers by creating or expanding opportunities to market processed meat under private labels, provide greater flexibility or convenience to have animals processed, or establish an essential community asset will receive more points. Projects that are likely to negatively impact existing meat processing businesses will receive fewer points. The committee may also consider the extent of any likely negative impact.

b. The sufficiency of the proposed project's financing structure, the feasibility of the sources of funds, and the appropriateness of the proposed uses of the funds: 25 points. Applicants that can demonstrate that the applicant has planned for long-term use of the project will receive more points.

c. The extent to which the proposed investment is consistent with the opportunities identified in the assessment completed by CIRAS pursuant to paragraph 51.3(1) "h": 15 points.

d. The number and quality of jobs to be created by the applicant as a result of the project or the extent to which the proposed investment uses automation to address workforce issues: 15 points. Projects that create more jobs or higher quality jobs will receive more points. Factors the committee will consider in assessing the quality of jobs include, but are not limited to, wages and benefits. Projects that utilize technology to address the workforce needs of the business, resulting in a more skilled workforce or increased processing capacity, will also receive more points.

e. The financial need of the applicant: 10 points. Applicants that received a business improvement grant from the department for expenses incurred between March 1, 2020, and December 1, 2020, or a previous grant from the program will receive fewer points.

f. The completeness of the application information and sufficiency of detail used to describe the project in the application: 10 points.

[ARC 5971C, IAB 10/6/21, effective 9/17/21; ARC 6638C, IAB 11/16/22, effective 10/21/22]

261—51.6(15E) Contract administration.

51.6(1) The authority will prepare a contract for each award approved by the board. The contract will reflect the terms of the award and may include other terms and conditions reasonably necessary for implementation of the program pursuant to this chapter.

51.6(2) Any substantive change to a proposed project shall require an amendment to the contract. Amendments shall be requested in writing. No amendment shall be valid until approved by the board. The authority may execute nonsubstantive or corrective changes to the contract without board approval. [ARC 5971C, IAB 10/6/21, effective 9/17/21; ARC 6638C, IAB 11/16/22, effective 10/21/22]

261—51.7(15E) Disbursement of funds. The authority will disburse funds for a project only after a complete application has been received, an award has been approved by the board, a contract has been executed between the applicant and the authority, and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenditures. Disbursement of funds under the contract will be on a reimbursement basis for expenses incurred by the applicant after the date the board approves the award and as provided under the contract. [ARC 5971C, IAB 10/6/21, effective 9/17/21; ARC 6638C, IAB 11/16/22, effective 10/21/22]

261—51.8(15E) Reporting. An applicant receiving assistance under the program shall submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the board, the general assembly or the governor's office. [ARC 5971C, IAB 10/6/21, effective 9/17/21; ARC 6638C, IAB 11/16/22, effective 10/21/22]

These rules are intended to implement Iowa Code section 15E.370.

[Filed Emergency After Notice ARC 5971C (Notice ARC 5851C, IAB 8/11/21), IAB 10/6/21, effective 9/17/21]

[Filed Emergency After Notice ARC 6638C (Notice ARC 6470C, IAB 8/24/22), IAB 11/16/22, effective 10/21/22]