

Reprinted

MAR 8 1989

HOUSE FILE 534
BY COMMITTEE ON AGRICULTURE

Place On Calendar

(SUCCESSOR TO HSB 228)

Passed House, Date 3-21-89 (p883) Passed Senate, Date 3/22/90
Vote: Ayes 69 Nays 29 Vote: Ayes 43 Nays 2
Approved April 16, 1990

A BILL FOR

1 An Act relating to the regulation of commercial feed and
2 providing for the increase of fees.

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

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HOUSE FILE 534

H-3414

1 Amend House File 534 as follows:
2 1. Page 1, line 17, by inserting before the word
3 "A" the following: "1."
4 2. Page 1, line 22, by striking the figure "1"
5 and inserting the following: "a".
6 3. Page 1, line 25, by striking the figure "2"
7 and inserting the following: "b".
8 4. Page 1, by inserting after line 28, the
9 following:
10 "2. However, the following persons are not
11 required to obtain a license under this section:
12 a. A person whose sales of commercial feed are
13 limited to retail pet foods.
14 b. A natural person who takes orders directly for
15 a manufacturer, wholesaler, distributor, or broker for
16 a fee, if the commercial feed is shipped directly to
17 the consumer."

By MAY of Worth

H-3414 FILED MARCH 16, 1989
copied 3-21-89 (p883)

H.F. 534

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1 Section 1. Section 198.1, Code 1989, is amended to read as
2 follows:

3 198.1 SHORT TITLE.

4 This chapter shall be known as the "Iowa Commercial Feed
5 Law of 1974."

6 Sec. 2. Section 198.3, subsection 1, Code 1989, is amended
7 by striking the subsection and inserting in lieu thereof the
8 following:

9 1. "Distribute" means either of the following:

10 a. To offer for sale, sell, exchange, or barter commercial
11 feed.

12 b. To supply, furnish, or otherwise provide commercial
13 feed to a contract feeder.

14 Sec. 3. Section 198.4, Code 1989, is amended by striking
15 the section and inserting in lieu thereof the following:

16 198.4 LICENSES.

17 A person shall not manufacture, mix, blend, mix to customer
18 order, or distribute commercial feed or a commercial feed
19 ingredient without obtaining a license issued by the
20 secretary. A person obtaining a license shall pay a license
21 fee of ten dollars to the secretary for each of the following:

22 1. For each location in this state where commercial feed
23 or commercial feed ingredients are manufactured or
24 distributed.

25 2. For each location outside the state that ships
26 commercial feed or a commercial feed ingredient into Iowa.

27 Fees relating to the issuance of licenses under this
28 section shall be paid by July 1 of each year.

29 Sec. 4. Section 198.5, subsection 1, paragraph d, Code
30 1989, is amended to read as follows:

31 d. ~~The~~ An ingredient statement containing the common or
32 usual name of each ingredient used in the manufacture of the
33 commercial feed; ~~provided; that.~~ However, the secretary by
34 rule may permit the use of a collective term for a group of
35 ingredients which perform a similar function, or the secretary

1 may exempt such commercial feeds, or any group thereof of
2 them, from this requirement of-an-ingredient-statement if the
3 secretary finds that such a statement is not required in the
4 interest of consumers.

5 Sec. 5. Section 198.6, subsection 4, Code 1989, is amended
6 by striking the subsection and inserting in lieu thereof the
7 following:

8 4. If it is not a commercial feed as defined in section
9 198.3.

10 Sec. 6. Section 198.8, subsection 5, Code 1989, is amended
11 to read as follows:

12 5. Fail or refuse to ~~register~~ obtain a license in
13 accordance with section 198.4.

14 Sec. 7. Section 198.9, subsection 1, unnumbered paragraph
15 1, Code 1989, is amended to read as follows:

16 An inspection fee to be fixed annually by the secretary, at
17 the rate of ~~no~~ not more than ~~twelve~~ sixteen cents per ton,
18 shall be paid on commercial feeds distributed in this state,
19 by the person who distributes the commercial feed to the
20 consumer, subject to the following:

21 Sec. 8. Section 198.9, subsection 1, paragraphs d, e, and
22 f, Code 1989, are amended by striking the paragraphs.

23 Sec. 9. Section 198.9, subsection 2, paragraph a, Code
24 1989, is amended to read as follows:

25 a. File, not later than the last day of January and July
26 of each year, a semiannual statement, setting forth the number
27 of net tons of commercial feeds distributed in this state
28 during the preceding six months and upon filing such the
29 statement shall pay the inspection fee at the rate stated in
30 subsection 1. Inspection fees which are due and owing and
31 have not been remitted to the secretary within fifteen days
32 following the due date shall have a delinquency fee of ten
33 percent of the amount due or ~~five~~ fifty dollars, whichever is
34 greater, added to the amount due when payment is finally made.
35 The assessment of this delinquency fee ~~shall~~ does not prevent

1 the department from taking other actions as provided in this
2 chapter.

3 Sec. 10. Section 198.9, subsection 3, unnumbered paragraph
4 2, Code 1989, is amended to read as follows:

5 If there is an unencumbered balance of funds in the
6 commercial feed fund on June 30 of any fiscal year equal to or
7 exceeding three one hundred fifty thousand dollars, the
8 secretary of agriculture shall reduce the per ton fee provided
9 for in subsection 1 for the next fiscal year in such amount as
10 will result in an ending estimated balance for June 30 of the
11 next fiscal year of three one hundred fifty thousand dollars.

12 Sec. 11. Section 198.10, subsection 1, unnumbered
13 paragraph 1, and paragraph b, Code 1989, are amended to read
14 as follows:

15 The secretary may ~~promulgate-such~~ adopt rules for
16 commercial feeds and pet foods as are specifically authorized
17 in this chapter and ~~such other reasonable rules as-may-be~~
18 necessary for in order to carry out the purpose and intent of
19 this chapter or to secure the efficient enforcement of this
20 chapter. In the interest of uniformity the secretary shall by
21 rule adopt, unless the secretary determines that they are
22 inconsistent with ~~the-provisions-of~~ this chapter or are not
23 appropriate to conditions which exist in this state, the
24 following:

25 b. Any rule ~~promulgated~~ adopted pursuant to the authority
26 of the ~~federal~~ Federal Food, Drug, and Cosmetic Act, 21 U.S.C.
27 section § 301, et seq., provided ~~that~~ the secretary would
28 ~~have~~ has the authority under this chapter to ~~promulgate~~ adopt
29 such rules.

30 Sec. 12. Section 198.11, subsection 7, Code 1989, is
31 amended to read as follows:

32 7. The results of all analyses of official samples shall
33 be forwarded by the secretary to the person named on the
34 label. When the inspection and analysis of an official sample
35 indicates a commercial feed has been adulterated or misbranded

1 and upon request within thirty days following receipt of the
2 analysis the secretary shall furnish to the registrant
3 licensee a portion of the sample concerned.

4 Sec. 13. Section 331.756, subsection 37, Code 1989, is
5 amended to read as follows:

6 37. Prosecute violations of the Iowa commercial feed law
7 of 1974 as provided in section 198.13, subsection 3.

8 EXPLANATION

9 This bill amends the "Iowa Commercial Feed Law of 1974" in
10 chapter 198. The bill strikes the date from the name of the
11 law. A person who manufactures, mixes, blends, sells, or
12 distributes commercial feed must obtain a license and the
13 current registration requirements are deleted. A license fee
14 of ten dollars is established. The bill increases from twelve
15 to sixteen cents per ton the maximum inspection fee paid on
16 commercial feeds distributed in the state. The bill requires
17 a late fee for overdue inspection reports of ten percent of
18 the amount due or \$50.00, whichever is greater. The bill also
19 reduces the amount of moneys from three hundred fifty to one
20 hundred thousand dollars needed to cap the commercial feed
21 fund after which the secretary must reduce the per ton
22 inspection fee.

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HOUSE FILE 534
FISCAL NOTE

A fiscal note for House File 534 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 534 relates to the regulation of commercial feed by amending the "Iowa Commercial Feed Law of 1974", Chapter 198, Code of Iowa, and by raising fees.

Fiscal Effect

House File 534 would increase the revenue to the Commercial Feed Fund by \$141,861 in FY 1991.

Assumptions

1. House File 534 eliminates the following fees:
 - A. \$25 annual fee on commercial feed packages of ten pounds or less,
 - B. \$10 semi-annual inspection fee,
 - C. \$25 annual fee on specialty pet food packages of one pound or less, and replaces them with a \$10 license fee on all persons who manufacture, mix, blend, or distribute commercial feed or a commercial feed ingredient.
2. The bill increases from 12 to 16 cents per ton the maximum inspection fee paid on commercial feed distributed in the State.
3. The bill also reduces the amount of moneys from \$350,000 to \$100,000 needed to cap the Commercial Feed Fund after which the Secretary of Agriculture must reduce the per ton inspection fee.

	(dollars in thousands)					
	<u>Fiscal Year 1991</u>			<u>Fiscal Year 1992</u>		
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
	<u>Law</u>	<u>Law</u>	<u>(Decrease)</u>	<u>Law</u>	<u>Law</u>	<u>(Decrease)</u>
<u>REVENUE</u>						
Commercial						
Feed Account \$	551.0	\$ 692.9	\$ 141.9	\$ 778.4	\$ 778.4	\$ 0
<u>EXPENDITURES</u>						
Salaries	\$ 468.7	\$ 595.5	\$ 96.8	\$ 599.0	\$ 599.0	\$ 0
Support	65.8	65.8	0	65.8	65.8	0
Travel	33.9	33.9	0	33.9	33.9	0
Total	\$ 568.4	\$ 695.2	\$ 96.8	\$ 698.7	\$ 698.7	\$ 0
<u>NET EFFECT</u>	\$ - 17.4	\$ - 2.9	\$ 14.5	\$ 79.7	\$ 79.7	\$ 0

SOURCE: Department of Agriculture and Land Stewardship (LSB 1233hv.3, AAW)

FILED MARCH 15, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 534
FISCAL NOTE

A fiscal note for HOUSE FILE 534 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 534 relates to the regulation of commercial feed by amending the "Iowa Commercial Feed Law of 1974", Chapter 198, Code of Iowa, and by raising fees.

Fiscal Effect

House File 534 would increase the revenue to the Commercial Feed Fund by \$92,290 in FY 1990.

Assumptions

1. House File 534 eliminates the following fees:
 - A. \$25 annual fee on commercial feed packages of ten pounds or less.
 - B. \$10 semi-annual inspection fee,
 - C. \$25 annual fee on specialty pet food packages of one pound or less, and replaces them with a \$10 license fee on all persons who manufacture, mix, blend, or distribute commercial feed or a commercial feed ingredient.
2. The bill increases from 12 to 16 cents per ton the maximum inspection fee paid on commercial feed distributed in the State.
3. The bill also reduces the amount of moneys from \$350,000 to \$100,000 needed to cap the Commercial Feed Fund after which the Secretary of Agriculture must reduce the per ton inspection fee.

	(dollars in thousands)					
	<u>Fiscal Year 1990</u>			<u>Fiscal Year 1991</u>		
	<u>Current</u> <u>Law</u>	<u>Proposed</u> <u>Law</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Current</u> <u>Law</u>	<u>Proposed</u> <u>Law</u>	<u>Increase</u> <u>(Decrease)</u>
<u>REVENUE</u>						
Commercial Feed Account	\$ 551.2	\$ 643.5	\$ 92.3	\$ 643.5	\$ 643.5	\$ 0
<u>EXPENDITURES</u>						
Salaries	\$ 595.4	\$ 595.4	\$ 0	\$ 599.0	\$ 599.0	\$ 0
Support	71.7	71.7	0	71.7	71.7	0
Travel	32.0	32.0	0	32.0	32.0	0
Total	\$ 699.1	\$ 699.1	\$ 0	\$ 702.7	\$ 702.7	\$ 0
NET EFFECT	\$ - 147.9	\$ - 55.6	\$ 92.3	\$ - 59.2	\$ - 59.2	\$ 0

SOURCE: Department of Agriculture and Land Stewardship (ISS 12334, CRR)

FILED MARCH 10, 1989

BY DENNIS PROUTY, FISCAL

By Dr. Bann 3/15 (p. 1024)

House File 534

AGRICULTURE: Fraise, Chair; Palmer and Hester

Acceptance Memor. To Pass 3/15/90 (p. 112)

HOUSE FILE 534
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 228)

(As Amended and Passed by the House March 21, 1989)

RePassed House, Date ^{H. 584} 3/26/90 (p. 143) Passed Senate, Date ^{amended} 3/22/90 (p. 1267)
Vote: Ayes 74 Nays 20 Vote: Ayes 43 Nays 2
Approved April 16, 1990

A BILL FOR

1 An Act relating to the regulation of commercial feed and
2 providing for the increase of fees.

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

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House Amendments _____

1 Section 1. Section 198.1, Code 1989, is amended to read as
2 follows:

3 198.1 SHORT TITLE.

4 This chapter shall be known as the "Iowa Commercial Feed
5 Law of-1974."

6 Sec. 2. Section 198.3, subsection 1, Code 1989, is amended
7 by striking the subsection and inserting in lieu thereof the
8 following:

9 1. "Distribute" means either of the following:

10 a. To offer for sale, sell, exchange, or barter commercial
11 feed.

12 b. To supply, furnish, or otherwise provide commercial
13 feed to a contract feeder.

14 Sec. 3. Section 198.4, Code 1989, is amended by striking
15 the section and inserting in lieu thereof the following:

16 198.4 LICENSES.

17 1. A person shall not manufacture, mix, blend, mix to
18 customer order, or distribute commercial feed or a commercial
19 feed ingredient without obtaining a license issued by the
20 secretary. A person obtaining a license shall pay a license
21 fee of ten dollars to the secretary for each of the following:

22 a. For each location in this state where commercial feed
23 or commercial feed ingredients are manufactured or
24 distributed.

25 b. For each location outside the state that ships
26 commercial feed or a commercial feed ingredient into Iowa.

27 Fees relating to the issuance of licenses under this
28 section shall be paid by July 1 of each year.

29 2. However, the following persons are not required to
30 obtain a license under this section:

31 a. A person whose sales of commercial feed are limited to
32 retail pet foods.

33 b. A natural person who takes orders directly for a
34 manufacturer, wholesaler, distributor, or broker for a fee, if
35 the commercial feed is shipped directly to the consumer.

1 Sec. 4. Section 198.5, subsection 1, paragraph d, Code
2 1989, is amended to read as follows:

3 d. ~~The~~ An ingredient statement containing the common or
4 usual name of each ingredient used in the manufacture of the
5 commercial feed, ~~provided, that.~~ However, the secretary by
6 rule may permit the use of a collective term for a group of
7 ingredients which perform a similar function, or the secretary
8 may exempt such commercial feeds, or any group thereof of
9 them, from this requirement ~~of an ingredient statement~~ if the
10 secretary finds that ~~such a~~ a statement is not required in the
11 interest of consumers.

12 Sec. 5. Section 198.6, subsection 4, Code 1989, is amended
13 by striking the subsection and inserting in lieu thereof the
14 following:

15 4. If it is not a commercial feed as defined in section
16 198.3.

17 Sec. 6. Section 198.8, subsection 5, Code 1989, is amended
18 to read as follows:

19 5. Fail or refuse to ~~register~~ obtain a license in
20 accordance with section 198.4.

21 Sec. 7. Section 198.9, subsection 1, unnumbered paragraph
22 1, Code 1989, is amended to read as follows:

23 An inspection fee to be fixed annually by the secretary, at
24 the rate of ~~no~~ not more than ~~twelve~~ sixteen cents per ton,
25 shall be paid on commercial feeds distributed in this state,
26 by the person who distributes the commercial feed to the
27 consumer, subject to the following:

28 Sec. 8. Section 198.9, subsection 1, paragraphs d, e, and
29 f, Code 1989, are amended by striking the paragraphs.

30 Sec. 9. Section 198.9, subsection 2, paragraph a, Code
31 1989, is amended to read as follows:

32 a. File, not later than the last day of January and July
33 of each year, a semiannual statement, setting forth the number
34 of net tons of commercial feeds distributed in this state
35 during the preceding six months and upon filing ~~such~~ the

1 statement shall pay the inspection fee at the rate stated in
2 subsection 1. Inspection fees which are due and owing and
3 have not been remitted to the secretary within fifteen days
4 following the due date shall have a delinquency fee of ten
5 percent of the amount due or five fifty dollars, whichever is
6 greater, added to the amount due when payment is finally made.
7 The assessment of this delinquency fee ~~shall~~ does not prevent
8 the department from taking other actions as provided in this
9 chapter.

10 Sec. 10. Section 198.9, subsection 3, unnumbered paragraph
11 2, Code 1989, is amended to read as follows:

12 If there is an unencumbered balance of funds in the
13 commercial feed fund on June 30 of any fiscal year equal to or
14 exceeding three one hundred fifty thousand dollars, the
15 secretary of agriculture shall reduce the per ton fee provided
16 for in subsection 1 for the next fiscal year in such amount as
17 will result in an ending estimated balance for June 30 of the
18 next fiscal year of three one hundred fifty thousand dollars.

19 Sec. 11. Section 198.10, subsection 1, unnumbered
20 paragraph 1, and paragraph b, Code 1989, are amended to read
21 as follows:

22 The secretary may ~~promulgate-such~~ adopt rules for
23 commercial feeds and pet foods as are specifically authorized
24 in this chapter and ~~such other reasonable rules as-may-be~~
25 necessary for in order to carry out the purpose and intent of
26 this chapter or to secure the efficient enforcement of this
27 chapter. In the interest of uniformity the secretary shall by
28 rule adopt, unless the secretary determines that they are
29 inconsistent with ~~the-provisions-of~~ this chapter or are not
30 appropriate to conditions which exist in this state, the
31 following:

32 b. Any rule ~~promulgated~~ adopted pursuant to the authority
33 of the ~~federal~~ Federal Food, Drug, and Cosmetic Act, 21 U.S.C.
34 ~~section § 3017 et seq., provided, that the secretary would~~
35 have has the authority under this chapter to ~~promulgate~~ adopt

1 such rules.

2 Sec. 12. Section 198.11, subsection 7, Code 1989, is
3 amended to read as follows:

4 7. The results of all analyses of official samples shall
5 be forwarded by the secretary to the person named on the
6 label. When the inspection and analysis of an official sample
7 indicates a commercial feed has been adulterated or misbranded
8 and upon request within thirty days following receipt of the
9 analysis the secretary shall furnish to the registrant
10 licensee a portion of the sample concerned.

11 Sec. 13. Section 331.756, subsection 37, Code 1989, is
12 amended to read as follows:

13 37. Prosecute violations of the Iowa commercial feed law
14 ~~of-1974~~ as provided in section 198.13, subsection 3.

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HOUSE FILE 534

S-5479

1 Amend House File 534, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting after line 13 the
4 following:

5 "Sec. ____ . Section 198.3, subsection 17, Code
6 1989, is amended to read as follows:

7 17. "Pet food" means any commercial feed prepared
8 and distributed for consumption by pets dogs or cats.

9 Sec. ____ . Section 198.3, Code 1989, is amended by
10 adding the following new subsection:

11 NEW SUBSECTION. 21. "Broker" means a person,
12 other than a licensed manufacturer, who distributes
13 commercial feed or commercial feed ingredients to a
14 manufacturer."

15 2. Page 1, by striking lines 17 through 35, and
16 inserting the following:

17 "1. A person who manufactures a commercial feed, a
18 customer-formula feed, or whose name appears on the
19 label of a commercial or customer-formula feed, shall
20 not distribute a commercial feed in this state without
21 first obtaining a license from the secretary issued on
22 forms provided by the secretary. The forms must
23 identify the name, place of business, and location of
24 each manufacturing facility in this state.

25 A broker shall not distribute a commercial feed in
26 this state without first obtaining a license from the
27 secretary issued on forms provided by the secretary.
28 The forms must identify the broker's name and place of
29 business.

30 2. A person obtaining a license under this section
31 shall pay to the secretary a license fee of ten
32 dollars. Fees relating to the issuance of licenses
33 shall be paid by July 1 of each year."

34 3. Page 2, by inserting after line 11, the
35 following:

36 "Sec. ____ . Section 198.5, subsection 2, Code 1989,
37 is amended by adding the following new paragraph:

38 NEW PARAGRAPH. g. If a drug containing product is
39 used, information relating to the purpose of the
40 medication in the form of a claim statement, plus the
41 established name of each active drug ingredient and
42 the level of each drug used in the final mixture."

43 4. Page 2, by inserting after line 16, the
44 following:

45 "Sec. ____ . Section 198.7, subsection 1, Code 1989,
46 is amended by adding the following new paragraph:

47 NEW PARAGRAPH. f. If it is, or it bears or
48 contains a new animal drug which is unsafe within the
49 meaning of the federal Food, Drug and Cosmetics Act,
50 21 U.S.C. § 512."

S-5479

Page 2

1 5. Page 2, by striking lines 21 through 29, and
2 inserting the following:

3 "Sec. ____ . Section 198.9, subsection 1, Code 1989,
4 is amended by striking the subsection and inserting in
5 lieu thereof the following:

6 1. An inspection fee to be fixed annually by the
7 secretary at a rate of not more than sixteen cents per
8 ton, shall be paid on commercial feed distributed in
9 this state by the person who first distributes the
10 commercial feed, subject to the following:

11 a. The inspection fee is not required on the first
12 distribution, if made to a qualified buyer who, with
13 approval from the secretary, shall become responsible
14 for the fee.

15 b. A fee shall not be paid on a commercial feed if
16 the payment has been made by a previous distributor.

17 c. A fee shall not be paid on customer-formula
18 feeds if the inspection fee is paid on the commercial
19 feeds which are used as components of the customer-
20 formula feeds.

21 d. A minimum semiannual fee shall be twenty
22 dollars.

23 e. A licensed manufacturer shall pay the
24 inspection fee on commercial feed that is fed to
25 livestock owned by the licensee.

26 In the case of a pet food or specialty pet food,
27 which is distributed in this state in packages of ten
28 pounds or less, each product shall be registered and
29 an annual registration fee of fifty dollars for each
30 product shall be paid by January 1 of each year in
31 lieu of the per ton rate as provided in this
32 subsection. The inspection fee shall apply to those
33 same products distributed in packages of more than ten
34 pounds."

35 6. Page 3, by inserting after line 18, the
36 following:

37 "Sec. ____ . Section 198.9, subsection 3, Code 1989,
38 is amended by adding the following new unnumbered
39 paragraph:

40 NEW UNNUMBERED PARAGRAPH. The secretary shall
41 publish a report not later than September 1 of each
42 year. The report shall provide a detailed accounting
43 of all sources of revenue and all dispositions of
44 funds utilized by the commercial feed trust fund. The
45 report shall detail full-time equivalent positions
46 used in fulfilling the requirements of this chapter.
47 The report shall also indicate to what extent any
48 full-time equivalent positions are shared with other
49 programs. Copies of the report issued by the
50 secretary pursuant to this section shall be delivered

S-5479

Page 3

1. each year to the members of the house of
2 representatives and senate standing committees on
3 agriculture."

4 7. By renumbering as necessary.

By COMMITTEE ON AGRICULTURE
BERL E. PRIEBE, Chairperson

S-5479 FILED MARCH 13, 1990

Adopted 3/22 (p. 1267)

SENATE AMENDMENT TO HOUSE FILE 534

H-5841

1 Amend House File 534, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, by inserting after line 13 the
4 following:

5 "Sec. _____. Section 198.3, subsection 17, Code
6 1989, is amended to read as follows:

7 17. "Pet food" means any commercial feed prepared
8 and distributed for consumption by pets dogs or cats.

9 Sec. _____. Section 198.3, Code 1989, is amended by
10 adding the following new subsection:

11 NEW SUBSECTION. 21. "Broker" means a person,
12 other than a licensed manufacturer, who distributes
13 commercial feed or commercial feed ingredients to a
14 manufacturer."

15 2. Page 1, by striking lines 17 through 35, and
16 inserting the following:

17 "1. A person who manufactures a commercial feed, a
18 customer-formula feed, or whose name appears on the
19 label of a commercial or customer-formula feed, shall
20 not distribute a commercial feed in this state without
21 first obtaining a license from the secretary issued on
22 forms provided by the secretary. The forms must
23 identify the name, place of business, and location of
24 each manufacturing facility in this state.

25 A broker shall not distribute a commercial feed in
26 this state without first obtaining a license from the
27 secretary issued on forms provided by the secretary.
28 The forms must identify the broker's name and place of
29 business.

30 2. A person obtaining a license under this section
31 shall pay to the secretary a license fee of ten
32 dollars. Fees relating to the issuance of licenses
33 shall be paid by July 1 of each year."

34 3. Page 2, by inserting after line 11, the
35 following:

36 "Sec. _____. Section 198.5, subsection 2, Code 1989,
37 is amended by adding the following new paragraph:

38 NEW PARAGRAPH. g. If a drug containing product is
39 used, information relating to the purpose of the
40 medication in the form of a claim statement, plus the
41 established name of each active drug ingredient and
42 the level of each drug used in the final mixture."

43 4. Page 2, by inserting after line 16, the
44 following:

45 "Sec. _____. Section 198.7, subsection 1, Code 1989,
46 is amended by adding the following new paragraph:

47 NEW PARAGRAPH. f. If it is, or it bears or
48 contains a new animal drug which is unsafe within the
49 meaning of the federal Food, Drug and Cosmetics Act,
50 21 U.S.C. § 512."

H-5841

Page 2

1 5. Page 2, by striking lines 21 through 29, and
2 inserting the following:

3 "Sec. ____ . Section 198.9, subsection 1, Code 1989,
4 is amended by striking the subsection and inserting in
5 lieu thereof the following:

6 1. An inspection fee to be fixed annually by the
7 secretary at a rate of not more than sixteen cents per
8 ton, shall be paid on commercial feed distributed in
9 this state by the person who first distributes the
10 commercial feed, subject to the following:

11 a. The inspection fee is not required on the first
12 distribution, if made to a qualified buyer who, with
13 approval from the secretary, shall become responsible
14 for the fee.

15 b. A fee shall not be paid on a commercial feed if
16 the payment has been made by a previous distributor.

17 c. A fee shall not be paid on customer-formula
18 feeds if the inspection fee is paid on the commercial
19 feeds which are used as components of the customer-
20 formula feeds.

21 d. A minimum semiannual fee shall be twenty
22 dollars.

23 e. A licensed manufacturer shall pay the
24 inspection fee on commercial feed that is fed to
25 livestock owned by the licensee.

26 In the case of a pet food or specialty pet food,
27 which is distributed in this state in packages of ten
28 pounds or less, each product shall be registered and
29 an annual registration fee of fifty dollars for each
30 product shall be paid by January 1 of each year in
31 lieu of the per ton rate as provided in this
32 subsection. The inspection fee shall apply to those
33 same products distributed in packages of more than ten
34 pounds."

35 6. Page 3, by inserting after line 18, the
36 following:

37 "Sec. ____ . Section 198.9, subsection 3, Code 1989,
38 is amended by adding the following new unnumbered
39 paragraph:

40 NEW UNNUMBERED PARAGRAPH. The secretary shall
41 publish a report not later than September 1 of each
42 year. The report shall provide a detailed accounting
43 of all sources of revenue and all dispositions of
44 funds utilized by the commercial feed trust fund. The
45 report shall detail full-time equivalent positions
46 used in fulfilling the requirements of this chapter.
47 The report shall also indicate to what extent any
48 full-time equivalent positions are shared with other
49 programs. Copies of the report issued by the
50 secretary pursuant to this section shall be delivered

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Page 3

1 each year to the members of the house of
2 representatives and senate standing committees on
3 agriculture."

4 7. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-5841 FILED MARCH 23, 1990

House concurred 3/26 (p. 1413)

NSB 228

Agriculture

Feed

HOUSE FILE 534

BY (PROPOSED DEPARTMENT OF
AGRICULTURE AND LAND
STEWARDSHIP BILL)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the regulation of commercial feed.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 198.1, Code 1989, is amended to read as
2 follows:

3 198.1 SHORT TITLE.

4 This chapter shall be known as the "Iowa Commercial Feed
5 Law ~~of-1974.~~"

6 Sec. 2. Section 198.3, subsection 1, Code 1989, is amended
7 to read as follows:

8 1. "Distribute" means to offer for sale, sell, exchange,
9 or barter, commercial feed; or to supply, furnish, or
10 otherwise provide commercial feed to a contract feeder.

11 Sec. 3. Section 198.4, Code 1989, is amended by striking
12 the section and inserting in lieu thereof the following:

13 198.4 LICENSES.

14 A person shall not manufacture, mix, blend, mix to customer
15 order, or distribute commercial feed or a commercial feed
16 ingredient without obtaining a license issued by the
17 secretary. A person obtaining a license shall pay a license
18 fee of ten dollars to the secretary for each location in this
19 state where commercial feed or commercial feed ingredients are
20 manufactured or distributed. Fees relating to the issuance of
21 licenses under this section shall be paid by July 1 of each
22 year.

23 Sec. 4. Section 198.5, subsection 1, paragraph d, Code
24 1989, is amended to read as follows:

25 d. ~~The~~ An ingredient statement containing the common or
26 usual name of each ingredient used in the manufacture of the
27 commercial feed, ~~provided, that.~~ However, the secretary by
28 rule may permit the use of a collective term for a group of
29 ingredients which perform a similar function, or the secretary
30 may exempt such commercial feeds, or any group thereof of
31 them, from this requirement ~~of-an-ingredient-statement~~ if the
32 secretary finds that such a statement is not required in the
33 interest of consumers.

34 Sec. 5. Section 198.6, subsection 4, Code 1989, is amended
35 by striking the subsection and inserting in lieu thereof the

1 following:

2 4. If it is not a commercial feed as defined in section
3 198.3.

4 Sec. 6. Section 198.8, subsection 5, Code 1989, is amended
5 to read as follows:

6 5. Fail or refuse to ~~register~~ obtain a license in
7 accordance with section 198.4.

8 Sec. 7. Section 198.9, subsection 1, unnumbered paragraph
9 1, Code 1989, is amended to read as follows:

10 An inspection fee to be fixed annually by the secretary, at
11 the rate of ~~no~~ not more than ~~twelve~~ twenty cents per ton,
12 shall be paid on commercial feeds distributed in this state,
13 by the person who distributes the commercial feed to the
14 consumer, subject to the following:

15 Sec. 8. Section 198.9, subsection 1, paragraphs d, e, and
16 f, Code 1989, are amended by striking the paragraphs.

17 Sec. 9. Section 198.9, subsection 2, paragraph a, Code
18 1989, is amended to read as follows:

19 a. File, not later than the last day of January and July
20 of each year, a semiannual statement, setting forth the number
21 of net tons of commercial feeds distributed in this state
22 during the preceding six months and upon filing ~~such~~ the
23 statement shall pay the inspection fee at the rate stated in
24 subsection 1. Inspection fees which are due and owing and
25 have not been remitted to the secretary within fifteen days
26 following the due date shall have a delinquency fee of ten
27 percent of the amount due or five fifty dollars, whichever is
28 greater, added to the amount due when payment is finally made.
29 The assessment of this delinquency fee ~~shall~~ does not prevent
30 the department from taking other actions as provided in this
31 chapter.

32 Sec. 10. Section 198.10, subsection 1, unnumbered
33 paragraph 1, and paragraph b, Code 1989, are amended to read
34 as follows:

35 The secretary may ~~promulgate-such~~ adopt rules for

1 commercial feeds and pet foods as are specifically authorized
2 in this chapter and ~~such~~ other reasonable rules ~~as may be~~
3 necessary ~~for~~ in order to carry out the purpose and intent of
4 this chapter or to secure the efficient enforcement of this
5 chapter. In the interest of uniformity the secretary shall by
6 rule adopt, unless the secretary determines that they are
7 inconsistent with ~~the provisions of~~ this chapter or are not
8 appropriate to conditions which exist in this state, the
9 following:

10 b. Any rule ~~promulgated~~ adopted pursuant to the authority
11 of the ~~federal~~ Federal Food, Drug, and Cosmetic Act, 21 U.S.C.
12 section § 301, et seq., provided, ~~that~~ the secretary would
13 have has the authority under this chapter to ~~promulgate~~ adopt
14 such rules.

15 Sec. 11. Section 198.11, subsection 7, Code 1989, is
16 amended to read as follows:

17 7. The results of all analyses of official samples shall
18 be forwarded by the secretary to the person named on the
19 label. When the inspection and analysis of an official sample
20 indicates a commercial feed has been adulterated or misbranded
21 and upon request within thirty days following receipt of the
22 analysis the secretary shall furnish to the ~~registrant~~
23 licensee a portion of the sample concerned.

24 Sec. 12. Section 331.756, subsection 37, Code 1989, is
25 amended to read as follows:

26 37. Prosecute violations of the Iowa commercial feed law
27 ~~of 1974~~ as provided in section 198.13, subsection 3.

28 EXPLANATION

29 This bill amends the "Iowa Commercial Feed Law of 1974" in
30 chapter 198. The bill strikes the date from the name of the
31 law. A person who manufactures, mixes, blends, sells, or
32 distributes commercial feed must obtain a license and the
33 current registration requirements are deleted. A license fee
34 of ten dollars is established. The bill increases from twelve
35 to twenty cents per ton the inspection fee paid on commercial

1 feeds distributed in the state. The bill eliminates a fee of
2 twenty-five dollars for commercial feed distributed in
3 packages of ten pounds or less, a semiannual minimum
4 inspection fee of ten dollars, and a special fee of twenty-
5 five dollars for specialty pet food distributed in packages of
6 one pound or less. The penalty for delinquent inspection fees
7 is increased from five dollars to fifty dollars or ten percent
8 of the amount of the delinquency, whichever is greater.

9 BACKGROUND STATEMENT

10 SUBMITTED BY THE AGENCY

11 The bill requires any person who manufactures, mixes,
12 blends, offers for sale, or distributes any commercial feed to
13 be licensed. The bill requires all licensed dealers to file a
14 semiannual tonnage report (inspection fee) with a maximum fee
15 of 20 cents per ton. The bill requires a late fee for overdue
16 inspection reports of ten percent or \$50.00, whichever is
17 greater.

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HOUSE FILE 534

AN ACT
RELATING TO THE REGULATION OF COMMERCIAL FEED AND PROVIDING
FOR THE INCREASE OF FEES.

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

Section 1. Section 198.1, Code 1989, is amended to read as follows:

198.1 SHORT TITLE.

This chapter shall be known as the "Iowa Commercial Feed Law of-1974."

Sec. 2. Section 198.3, subsection 1, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

1. "Distribute" means either of the following:

- a. To offer for sale, sell, exchange, or barter commercial feed.
- b. To supply, furnish, or otherwise provide commercial feed to a contract feeder.

Sec. 3. Section 198.3, subsection 17, Code 1989, is amended to read as follows:

17. "Pet food" means any commercial feed prepared and distributed for consumption by pets dogs or cats.

Sec. 4. Section 198.3, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 21. "Broker" means a person, other than a licensed manufacturer, who distributes commercial feed or commercial feed ingredients to a manufacturer.

Sec. 5. Section 198.4, Code 1989, is amended by striking the section and inserting in lieu thereof the following:

198.4 LICENSES.

1. A person who manufactures a commercial feed, a customer-formula feed, or whose name appears on the label of a

commercial or customer-formula feed, shall not distribute a commercial feed in this state without first obtaining a license from the secretary issued on forms provided by the secretary. The forms must identify the name, place of business, and location of each manufacturing facility in this state.

A broker shall not distribute a commercial feed in this state without first obtaining a license from the secretary issued on forms provided by the secretary. The forms must identify the broker's name and place of business.

2. A person obtaining a license under this section shall pay to the secretary a license fee of ten dollars. Fees relating to the issuance of licenses shall be paid by July 1 of each year.

Sec. 6. Section 198.5, subsection 1, paragraph d, Code 1989, is amended to read as follows:

d. The An ingredient statement containing the common or usual name of each ingredient used in the manufacture of the commercial feed; provided, that, However, the secretary by rule may permit the use of a collective term for a group of ingredients which perform a similar function, or the secretary may exempt such commercial feeds, or any group thereof of them, from this requirement of an ingredient statement if the secretary finds that such a statement is not required in the interest of consumers.

Sec. 7. Section 198.5, subsection 2, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. If a drug containing product is used, information relating to the purpose of the medication in the form of a claim statement, plus the established name of each active drug ingredient and the level of each drug used in the final mixture.

Sec. 8. Section 198.6, subsection 4, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

4. If it is not a commercial feed as defined in section 198.3.

Sec. 9. Section 198.7, subsection 1, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. If it is, or it bears or contains a new animal drug which is unsafe within the meaning of the federal Food, Drug and Cosmetics Act, 21 U.S.C. § 512.

Sec. 10. Section 198.8, subsection 5, Code 1989, is amended to read as follows:

5. Fail or refuse to register obtain a license in accordance with section 198.4.

Sec. 11. Section 198.9, subsection 1, Code 1989, is amended by striking the subsection and inserting in lieu thereof the following:

1. An inspection fee to be fixed annually by the secretary at a rate of not more than sixteen cents per ton, shall be paid on commercial feed distributed in this state by the person who first distributes the commercial feed, subject to the following:

a. The inspection fee is not required on the first distribution, if made to a qualified buyer who, with approval from the secretary, shall become responsible for the fee.

b. A fee shall not be paid on a commercial feed if the payment has been made by a previous distributor.

c. A fee shall not be paid on customer-formula feeds if the inspection fee is paid on the commercial feeds which are used as components of the customer-formula feeds.

d. A minimum semiannual fee shall be twenty dollars.

e. A licensed manufacturer shall pay the inspection fee on commercial feed that is fed to livestock owned by the licensee.

In the case of a pet food or specialty pet food, which is distributed in this state in packages of ten pounds or less, each product shall be registered and an annual registration fee of fifty dollars for each product shall be paid by January

1 of each year in lieu of the per ton rate as provided in this subsection. The inspection fee shall apply to those same products distributed in packages of more than ten pounds.

Sec. 12. Section 198.9, subsection 2, paragraph a, Code 1989, is amended to read as follows:

a. File, not later than the last day of January and July of each year, a semiannual statement, setting forth the number of net tons of commercial feeds distributed in this state during the preceding six months and upon filing such the statement shall pay the inspection fee at the rate stated in subsection 1. Inspection fees which are due and owing and have not been remitted to the secretary within fifteen days following the due date shall have a delinquency fee of ten percent of the amount due or five fifty dollars, whichever is greater, added to the amount due when payment is finally made. The assessment of this delinquency fee ~~shall does~~ not prevent the department from taking other actions as provided in this chapter.

Sec. 13. Section 198.9, subsection 3, unnumbered paragraph 2, Code 1989, is amended to read as follows:

If there is an unencumbered balance of funds in the commercial feed fund on June 30 of any fiscal year equal to or exceeding three one hundred fifty thousand dollars, the secretary of agriculture shall reduce the per ton fee provided for in subsection 1 for the next fiscal year in such amount as will result in an ending estimated balance for June 30 of the next fiscal year of three one hundred fifty thousand dollars.

Sec. 14. Section 198.9, subsection 3, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The secretary shall publish a report not later than September 1 of each year. The report shall provide a detailed accounting of all sources of revenue and all dispositions of funds utilized by the commercial feed trust fund. The report shall detail full-time equivalent positions used in fulfilling the requirements of this chapter.

The report shall also indicate to what extent any full-time equivalent positions are shared with other programs. Copies of the report issued by the secretary pursuant to this section shall be delivered each year to the members of the house of representatives and senate standing committees on agriculture.

Sec. 15. Section 198.10, subsection 1, unnumbered paragraph 1, and paragraph b, Code 1989, are amended to read as follows:

The secretary may ~~promulgate-such~~ adopt rules for commercial feeds and pet foods as are specifically authorized in this chapter and ~~such other reasonable rules as may be necessary for in order to carry out the purpose and intent of this chapter or to secure the efficient enforcement of this chapter.~~ In the interest of uniformity the secretary shall by rule adopt, unless the secretary determines that they are inconsistent with ~~the provisions of~~ this chapter or are not appropriate to conditions which exist in this state, the following:

b. Any rule ~~promulgated~~ adopted pursuant to the authority of the ~~federal~~ Federal Food, Drug, and Cosmetic Act, 21 U.S.C. section § 301, et seq., provided, ~~that the secretary would have~~ has the authority under this chapter to ~~promulgate~~ adopt such rules.

Sec. 16. Section 198.11, subsection 7, Code 1989, is amended to read as follows:

7. The results of all analyses of official samples shall be forwarded by the secretary to the person named on the label. When the inspection and analysis of an official sample indicates a commercial feed has been adulterated or misbranded and upon request within thirty days following receipt of the analysis the secretary shall furnish to the registrant licensee a portion of the sample concerned.

Sec. 17. Section 331.756, subsection 37, Code 1989, is amended to read as follows:

37. Prosecute violations of the Iowa commercial feed law ~~of 1974~~ as provided in section 198.13, subsection 3.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 534, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved April 16, 1990

TERRY E. BRANSTAD
Governor