An Act relating to a program that assists schools and school districts in purchasing fresh farm produce, making appropriations, and including effective date and retroactive applicability provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
Section 1. **NEW SECTION.** 190A.11 Definitions.

As used in this subchapter, unless the context otherwise requires:

1. "Department" means the department of agriculture and land stewardship.

2. "Farm source" means a farmer who produces fresh farm produce and sells directly to consumers or to a distributor or broker of fresh farm produce.

3. "Fresh farm produce" means vegetables, fruits, or nuts intended for inclusion as part of a school diet, including school meals and snacks as described in section 190A.3, if the vegetables, fruits, or nuts are not processed except for being trimmed, cleaned, dried, sorted, or packaged.

4. "Fund" means the local farm produce fund created in section 190A.12.

5. "Program" means the local farm produce program created in section 190A.13.

6. "School" means a public school or nonpublic school, as those terms are defined in section 280.2, or that portion of a public school or nonpublic school that provides facilities for teaching any grade from kindergarten through grade twelve.

7. "School district" means a school district as described in chapter 274.

Sec. 2. **NEW SECTION.** 190A.12 Local farm produce fund.

1. A local farm produce fund is created in the state treasury under the management and control of the department.

2. The fund shall include moneys appropriated to the fund by the general assembly. The fund may include other moneys available to and obtained or accepted by the department, including moneys from public or private sources.

3. Moneys in the fund are appropriated to support the program in a manner determined by the department, including for reasonable administrative costs incurred by the department. However, the department shall not use more than five percent of moneys credited to the fund during a fiscal year to pay for
reasonable administrative costs.

4. a. Notwithstanding section 12C.7, interest or earnings on moneys in the fund shall be credited to the fund.

b. Notwithstanding section 8.33, moneys credited to the fund that remain unencumbered or unobligated at the end of a fiscal year shall not revert but shall remain available for the purposes designated.

Sec. 3. NEW SECTION. 190A.13 Local farm produce program.

1. A local farm produce program is created. The program shall be controlled and administered by the department.

2. The purpose of the program is to assist schools and school districts in purchasing fresh farm produce.

3. The department shall reimburse a school or school district for expenditures incurred by the school or school district for the purchase of fresh farm produce during the school year in which the school or school district is participating in the program.

4. A school or school district must apply each year to the department to participate in the program according to rules adopted by the department pursuant to chapter 17A.

5. To be eligible to participate in the program, a school or school district must purchase the fresh farm produce directly from a farm source as follows:

a. Except as provided in paragraph "b", the farm source must be located in this state.

b. If the school district shares a border with another state, or the school is part of a school district that shares a border with another state, the farm source may be located in the other state. However, the food source must be located within thirty miles from the school district's border with that state and the department must approve the purchase.

6. The department shall require proof of purchase prior to reimbursing the school or school district for the purchase of fresh farm produce.

7. The department may administer the program in cooperation
with the department of education and the participating school
district or school district in which a participating school is
located.

8. a. The department shall reimburse a participating
school or school district that submits a claim as required
by the department. The department shall pay the claim on a
matching basis with the department contributing one dollar for
every three dollars expended by the school or school district.
However, a school or school district shall not receive
more than five thousand dollars during any year in which it
participates in the program.

b. If the department determines that there are not
sufficient moneys in the fund to satisfy all applications that
are submitted by schools and school districts, the department
shall distribute available moneys after reducing the requested
amounts by a like percentage.

c. Notwithstanding paragraph "a", if the department
determines that there are sufficient moneys in the fund to
satisfy all claims that may be submitted by schools and school
districts, the department shall provide for the distribution of
the available moneys in a manner determined equitable by the
department to schools and school districts in counties where
the county board of health has identified obesity or another
diet-related illness in youth as a priority in the board's
community health needs assessment and health improvement plan.

Sec. 4. APPROPRIATION.

1. There is appropriated to the department of agriculture
and land stewardship for the fiscal year beginning July 1,
2019, and ending June 30, 2020, from the moneys available to
the state pursuant to the Coronavirus Aid, Relief, and Economic
Security Act, Pub. L. No. 116-136, the following amount, or
so much thereof as is necessary, to be used for the purpose
designated:

For deposit in the local farm produce fund created in section
190A.12, as enacted in this Act:
2. Notwithstanding sections 8.33 and 190A.12, moneys appropriated in this section that remain unencumbered or unobligated shall not revert and shall be transferred on December 31, 2020, to the general fund of the state and are appropriated to the economic development authority for the fiscal year beginning July 1, 2020, and ending June 30, 2021, for purposes related to assisting small businesses impacted by the coronavirus.

Sec. 5. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 6. RETROACTIVE APPLICABILITY. This Act, if approved by the governor on or after July 1, 2020, applies retroactively to June 30, 2020.

EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

This bill creates a local farm produce program to assist schools and school districts purchasing fresh farm produce directly from farmers or distributors of fresh farm produce (Code chapter 190A). DALS may reimburse a school or school district for expenditures on such products to the extent moneys are available to support the program. The available moneys would be allocated during the school year on a matching basis, subject to a $5,000 cap. The bill also creates a local farm produce fund to support the program.

The bill appropriates to the fund moneys available to the state pursuant to the federal Coronavirus Aid, Relief, and Economic Security Act. However, any unencumbered or unobligated moneys remaining on December 31, 2020, are transferred to the general fund and appropriated to the economic development authority to support small businesses. The bill takes effect upon enactment, and if approved by the governor after July 1, 2020, applies retroactively to July 1, 2020.