

House File 2444 - Introduced

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BY INGELS

A BILL FOR

1 An Act establishing license fees for food processing plants.

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

1 Section 1. Section 137F.6, subsection 1, paragraph g, Code
2 2024, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

4 g. (1) Except as provided in subparagraph (2), for a food
5 processing plant, the annual license fee shall correspond to
6 the annual gross food and beverage sales of the food processing
7 plant, as follows:

8 (a) For annual gross sales of less than two hundred thousand
9 dollars, one hundred fifty dollars.

10 (b) For annual gross sales of at least two hundred thousand
11 dollars but less than two million dollars, three hundred
12 dollars.

13 (c) For annual gross sales of two million dollars or more,
14 five hundred dollars.

15 (2) For a food processing plant operating on the premises of
16 a farm or private residence that stores officially processed,
17 packaged meat or poultry derived from animals raised by the
18 licensee and offered for sale directly to consumers or to
19 another business, the license fee is seventy-five dollars.

20 EXPLANATION

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

23 BACKGROUND. Code chapter 137F regulates businesses engaged
24 in commercial food preparation and sale. The regulations are
25 administered and enforced by the department of inspections,
26 appeals, and licensing. One such regulated establishment is
27 a food processing plant (plant) that manufactures, packages,
28 labels, or stores food for human consumption but does not
29 provide food directly to a consumer (Code section 137F.1). In
30 2023, the general assembly enacted legislation that revised the
31 method used to calculate annual license fees imposed on plants
32 (2023 Iowa Acts, chapter 82). The fee amount is based on a
33 series of increasing steps calculated using the plant's gross
34 annual sales during the prior year. The first step is \$75 for
35 gross sales up to but not including \$50,000, the second step is

1 \$150 for gross sales of \$50,000 or more but less than \$200,000,
2 the third step is \$300 for gross sales of \$200,000 or more but
3 less than \$2 million, and the fourth step is \$500 for gross
4 sales of \$2 million or more (Code section 137F.6).

5 BILL'S PROVISIONS. This bill revises the license fee
6 schedule for plants. It distinguishes between two categories
7 of plants: the first is a general category and the second is
8 a category of plant where meat is processed on the premises
9 of a farm or private residence. Under the general category,
10 the fee amount is based on a series of three increasing steps
11 calculated again using the plant's gross annual sales. For a
12 plant with annual gross sales of less than \$200,000, the fee
13 amount is \$150; for a plant with annual gross sales of at least
14 \$200,000 but less than \$2 million, the fee amount is \$300; and
15 for a plant with annual gross sales of \$2 million or more, the
16 fee amount is \$500. Under the second category, the fee amount
17 is a flat \$75.