

Senate File 2410 - Introduced

SENATE FILE 2410
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 2209)
(SUCCESSOR TO SSB 3052)

A BILL FOR

1 An Act relating to agriculture, by providing for the
2 administration of programs and regulations, making
3 appropriations, and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

IOWA-FOALED HORSES

Section 1. Section 99D.22, subsection 2, paragraph b, subparagraph (3), Code 2024, is amended to read as follows:

(3) (a) Continuous For a thoroughbred foal, continuous residency from December 31 15 until the foal is inspected if the mare was bred by other than an Iowa registered stallion and is not bred back to an Iowa registered stallion.

(b) For a standardbred foal or quarter horse foal, continuous residency from January 31 until the foal is inspected if the mare was bred by other than an Iowa registered stallion and is not bred back to an Iowa registered stallion.

DIVISION II

AGRICULTURAL MARKETING

Sec. 2. Section 15E.370, Code 2024, is amended to read as follows:

15E.370 Butchery innovation and revitalization fund and program.

~~1. As used in this section unless the context otherwise requires:~~

~~a. "Department" means the department of agriculture and land stewardship.~~

~~b. "Financial assistance" means assistance provided only from the funds and assets legally available to the authority pursuant to this section and includes assistance in the form of grants, low-interest loans, and forgivable loans.~~

~~c. "Fund" means the butchery innovation and revitalization fund.~~

~~d. "Located in" means the place or places at which a business's operations are located and where at least ninety-eight percent of the business's employees work, or where employees that are paid at least ninety-eight percent of the business's payroll work.~~

~~e. "Program" means the butchery innovation and revitalization program.~~

1 ~~2. a. The fund is created in the state treasury under~~
2 ~~the control of the authority and consists of any moneys~~
3 ~~appropriated to the fund by the general assembly and any other~~
4 ~~moneys available and obtained or accepted by the authority~~
5 ~~for placement in the fund. The fund shall be used to award~~
6 ~~financial assistance as provided under the program. The~~
7 ~~authority shall use any moneys specifically appropriated for~~
8 ~~purposes of this section only for the purposes of the program.~~

9 ~~b. Notwithstanding section 8.33, moneys in the fund~~
10 ~~that remain unencumbered or unobligated at the close of the~~
11 ~~fiscal year shall not revert but shall remain available for~~
12 ~~expenditure for the purposes designated until the close of the~~
13 ~~succeeding fiscal year.~~

14 ~~c. The authority may use not more than five percent of~~
15 ~~the moneys in the fund at the beginning of each fiscal year~~
16 ~~for purposes of administrative costs, marketing, technical~~
17 ~~assistance, and other program support.~~

18 1. A butchery innovation and revitalization program is
19 established within the department. The purpose of the program
20 is to promote the development, modernization, and expansion of
21 this state's small-scale butchery industry.

22 ~~3. 2. The authority, in consultation with In administering~~
23 ~~the program, the department, shall establish and administer the~~
24 ~~program for the purpose of awarding award financial assistance~~
25 ~~to eligible businesses for to support projects that do one or~~
26 ~~more of the following projects:~~

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

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

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

35 ~~d. To expand Expand or refurbish an existing, or to~~

1 establish a new, mobile slaughter unit that operates in
2 compliance with the most current mobile slaughter unit
3 compliance guide issued by the United States department of
4 agriculture food safety and inspection service.

5 ~~e. To rent~~ Rent buildings, refrigeration facilities, or
6 freezer facilities, or acquire equipment if necessary, to
7 expand processing capacity, including mobile slaughter or
8 refrigeration units used exclusively for meat or poultry
9 processing.

10 ~~4. 3.~~ The authority, ~~in consultation with the department,~~
11 shall establish eligibility criteria for the program ~~by rule~~.

12 The eligibility criteria must include all of the following:

13 *a.* The business must be located in this state.

14 *b.* The business must not have been subject to any regulatory
15 enforcement action related to federal, state, or local
16 environmental, worker safety, food processing, or food safety
17 laws, rules, or regulations within the last five years.

18 *c.* The business must only employ individuals legally
19 authorized to work in the state.

20 *d.* The business must not currently be in bankruptcy.

21 *e.* The business must employ less than seventy-five
22 full-time, nonseasonal individuals.

23 ~~5. 4.~~ A An eligible business seeking financial assistance
24 under this section shall make application to the ~~authority~~
25 department in the manner and on forms prescribed by the
26 ~~authority by rule~~ department.

27 ~~6. 5.~~ Applications for financial assistance under this
28 section shall be accepted during one or more annual application
29 ~~periods to be determined by the authority by rule~~ established
30 by the department. Upon reviewing and scoring all applications
31 that are received during an application period, and subject to
32 ~~funding~~ the availability of moneys, the ~~authority~~ department
33 ~~may, in consultation with the department,~~ award financial
34 assistance to eligible businesses. A financial assistance
35 award shall not exceed the amount of eligible project costs

1 included in the eligible business's application. Priority
2 shall be given to an eligible businesses whose business
3 describing a proposed projects project under subsection 3 ~~will~~
4 2 that is most likely to do any one or more of the following:

- 5 a. Create new jobs.
- 6 b. Create or expand opportunities for local small-scale
7 farmers to market processed meat under private labels.
- 8 c. Provide greater flexibility or convenience for local
9 small-scale farmers to have animals processed.

10 ~~7.~~ 6. A An eligible business that is awarded financial
11 assistance under this section may apply for financial
12 assistance under other programs administered by the ~~authority~~
13 department.

14 ~~8.~~ ~~The authority shall, in consultation with the~~
15 ~~department, adopt rules pursuant to chapter 17A to administer~~
16 ~~this section.~~

17 Sec. 3. Section 159.20, subsection 2, Code 2024, is amended
18 to read as follows:

19 2. The department shall ~~establish and administer a~~
20 ~~choose Iowa promotional program as provided in part 2 of~~
21 ~~this subchapter, in order to provide consumers a choice in~~
22 programs that advance the purchasing food items of agricultural
23 commodities produced on Iowa farms and Iowa products that
24 originate as ~~an agricultural commodity~~ commodities produced on
25 Iowa farms under this title, including chapter 187.

26 Sec. 4. Section 159.20, subsection 3, unnumbered paragraph
27 1, Code 2024, is amended to read as follows:

28 As used in this subchapter section:

29 Sec. 5. Section 159.28, Code 2024, is amended to read as
30 follows:

31 **159.28 Choose Iowa promotional program.**

32 1. The department shall establish and administer a ~~choose~~
33 Iowa promotional program to advertise for retail sale ~~on a~~
34 ~~retail basis a food item that originates as an agricultural~~
35 ~~commodity produced on an Iowa farm, and~~ an Iowa product that

1 may include any of the following:

2 *a.* An agricultural commodity produced on an Iowa farm,
3 except that it may be prepared for sale by washing or packaging
4 in this state.

5 ~~*b.* A product, if it is~~ An agricultural commodity processed
6 ~~in this state and any of its ingredients,~~ if its components
7 originate as an agricultural commodity produced on an Iowa
8 farm.

9 2. *a.* The department may adopt rules further defining an
10 Iowa farm, Iowa agricultural commodity, and Iowa product; and
11 describing how an Iowa agricultural commodity originates on an
12 Iowa farm.

13 *b.* The department may adopt rules providing for the
14 acceptable use of ~~ingredients originating a component that~~
15 originates from an agricultural commodities commodity not
16 produced on an Iowa farms farm. In adopting the rules, the
17 department may consider whether the ingredient component is
18 an incidental ~~additive or other component that the department~~
19 ~~determines is~~ or insignificant part of an Iowa product.

20 Sec. 6. Section 159.29, subsections 1 and 5, Code 2024, are
21 amended to read as follows:

22 1. As part of the choose Iowa promotional program, the
23 department may establish a choose Iowa logo to identify a ~~food~~
24 ~~item originating as an agricultural commodity produced on an~~
25 ~~Iowa farm~~ an Iowa product.

26 5. The use of a choose Iowa logo does not do any of the
27 following:

28 *a.* Provide an express or implied guarantee or warranty
29 concerning the safety, fitness, merchantability, or use of a
30 ~~food item~~ product.

31 *b.* Supersede, revise, or replace a state or federal labeling
32 requirement, including but not limited to a provision in the
33 federal Fair Packaging and Labeling Act, 15 U.S.C. §1451 et
34 seq.

35 *c.* Indicate the grade, specification, standard, or value of

1 any ~~food item~~ agricultural commodity, component, or product.

2 Sec. 7. Section 159.31, subsections 1, 2, and 3, Code 2024,
3 are amended to read as follows:

4 1. A ~~choose~~ Iowa fund is ~~established~~ created in the state
5 treasury under the management and control of the department.

6 2. The fund shall include moneys collected as fees by
7 the department as provided in ~~section 159.30~~ 187.303, moneys
8 appropriated by the general assembly, and other moneys
9 available to and obtained or accepted by the department,
10 including moneys from public or private sources.

11 3. Moneys in the fund are appropriated to the department
12 and shall be used exclusively to ~~carry out the provisions of~~
13 ~~this part~~ administer the programs created in this subchapter
14 as determined and directed by the department, and shall not
15 require further special authorization by the general assembly.

16 Sec. 8. Section 159.31A, Code 2024, is amended to read as
17 follows:

18 **159.31A Dairy innovation fund and revitalization program.**

19 1. ~~As used in this section unless the context otherwise~~
20 ~~requires:~~

21 ~~a. "Financial assistance" means assistance provided only~~
22 ~~from the moneys and assets legally available to the department~~
23 ~~pursuant to this section and includes assistance in the form of~~
24 ~~grants, low-interest loans, and forgivable loans.~~

25 ~~b. "Fund" means the dairy innovation fund.~~

26 ~~c. "Located in" means the place or places at which~~
27 ~~a business's operations are located and where at least~~
28 ~~ninety-eight percent of the business's employees work, or where~~
29 ~~employees that are paid at least ninety-eight percent of the~~
30 ~~business's payroll work.~~

31 ~~d. "Program" means the dairy innovation program.~~

32 2. ~~a. The fund is created in the state treasury under~~
33 ~~the control of the department and consists of any moneys~~
34 ~~appropriated to the fund by the general assembly and any other~~
35 ~~moneys available to or obtained or accepted by the department~~

1 ~~for placement in the fund. Moneys in the fund are appropriated~~
2 ~~to the department to award financial assistance as provided~~
3 ~~under the program. The department shall use any moneys~~
4 ~~specifically appropriated for purposes of this section only for~~
5 ~~the purposes of the program.~~

6 ~~b. Notwithstanding section 8.33, moneys in the fund~~
7 ~~that remain unencumbered or unobligated at the close of the~~
8 ~~fiscal year shall not revert but shall remain available for~~
9 ~~expenditure for the purposes designated until the close of the~~
10 ~~succeeding fiscal year.~~

11 1. A dairy innovation and revitalization program is created
12 within the department. The purpose of the program is to
13 promote the development, modernization, and expansion of this
14 state's dairy industry.

15 ~~3. 2. The In administering the program, the department~~
16 ~~shall establish and administer the program for the purpose of~~
17 ~~awarding award financial assistance to eligible businesses~~
18 ~~engaged in to support projects that do one or more of the~~
19 ~~following:~~

20 ~~a. Expand or refurbish existing milk plants or establish a~~
21 ~~new milk plant, operating pursuant to a permit issued pursuant~~
22 ~~to section 192.111 or 194.3A.~~

23 ~~b. Expand or refurbish existing mobile dairy processing~~
24 ~~units, or establish new mobile dairy processing units.~~

25 ~~c. Rent buildings, refrigeration facilities, or freezer~~
26 ~~facilities, or equipment necessary to expand dairy processing~~
27 ~~capacity, including mobile dairy or refrigeration units used~~
28 ~~exclusively for dairy processing.~~

29 ~~d. Incorporate methods and technologies that reduce farm~~
30 ~~labor associated with milk production and storage, including~~
31 ~~but not limited to the use of robotics and processes or systems~~
32 ~~that operate using computerized equipment or machinery.~~

33 ~~4. 3. The department shall establish eligibility criteria~~
34 ~~for the program by rule. The eligibility criteria must include~~
35 ~~all of the following:~~

- 1 *a.* The business must be located in this state.
- 2 *b.* The business must not have been subject to any regulatory
3 enforcement action related to federal, state, or local
4 environmental, worker safety, food processing, or food safety
5 laws, rules, or regulations within the last five years.
- 6 *c.* The business must only employ individuals legally
7 authorized to work in this state.
- 8 *d.* The business must not currently be in bankruptcy.
- 9 *e.* The business must employ less than fifty individuals.
- 10 ~~5.~~ 4. A An eligible business seeking financial assistance
11 under this section shall make application to the department in
12 the manner and on forms prescribed by the department ~~by rule~~.
- 13 ~~6.~~ 5. Applications for financial assistance under this
14 section shall be accepted during one or more annual application
15 periods ~~to be determined~~ established by the department ~~by~~
16 ~~rule~~. Upon reviewing and scoring all applications that are
17 received during an application period, and subject to ~~funding~~
18 the availability of moneys, the department may award financial
19 assistance to eligible businesses. A financial assistance
20 award shall not exceed the amount of eligible project costs
21 included in the eligible business's application. Priority
22 shall be given to eligible businesses whose proposed project
23 or projects under subsection ~~3~~ will 2 are most likely to do any
24 one or more of the following:
- 25 *a.* Create new jobs.
- 26 *b.* Create or expand opportunities for local small-scale milk
27 producers to market pasteurized milk and milk products under
28 private labels.
- 29 *c.* Provide greater flexibility or convenience for local
30 small-scale farmers to have milk processed.
- 31 *d.* Reduce labor associated with the on-farm production and
32 storage of milk.
- 33 ~~7.~~ 6. A An eligible business that is awarded financial
34 assistance under this section may apply for financial
35 assistance under other programs administered by the ~~authority~~

1 department.

2 ~~8. The department shall adopt rules pursuant to chapter 17A~~
3 ~~to administer this section.~~

4 Sec. 9. NEW SECTION. 187.101 Short title.

5 This chapter shall be known and may be cited as the "*Choose*
6 *Iowa Act*".

7 Sec. 10. NEW SECTION. 187.102 Definitions.

8 As used in this chapter, unless the context otherwise
9 requires:

10 1. "*Agricultural commodity*" means an animal or plant, or raw
11 material originating from an animal or plant.

12 2. "*Component*" means an agricultural commodity that is
13 combined to form a product during processing.

14 3. "*Department*" means the department of agriculture and land
15 stewardship.

16 4. "*Farm*" means land and associated structures used to
17 produce an agricultural commodity.

18 5. a. "*Financial assistance*" means support provided by the
19 department to an eligible business under this chapter from
20 moneys or other assets legally available to the department.

21 b. "*Financial assistance*" includes any form of grant,
22 low-interest loan, or forgivable loan.

23 6. "*Food item*" means an agricultural commodity, or an item
24 processed from an agricultural commodity, that is fit for human
25 consumption.

26 7. "*Fund*" means the choose Iowa fund created in section
27 187.201.

28 8. "*Horticulture item*" means any of the following:

29 a. A nursery, floral, or greenhouse plant.

30 b. A product processed from a nursery, floral, or greenhouse
31 plant, including a seed, rooting, cutting, tissue culture,
32 seedling, or other propagation material.

33 9. "*Located in*" means the place or places at which
34 a business's operations are located and where at least
35 ninety-eight percent of the business's employees work, or where

1 employees that are paid at least ninety-eight percent of the
2 business's payroll work.

3 10. "*Natural fiber item*" means fiber originating from
4 an agricultural commodity for use in processing, including
5 manufacturing into a textile, apparel, or other similar
6 product.

7 11. "*Process*" means to prepare a product that includes an
8 agricultural commodity alone or as a component.

9 12. a. "*Product*" means an agricultural commodity that
10 in its raw or processed state is moveable at the time of its
11 retail sale.

12 b. "*Product*" includes but is not limited to a food item,
13 horticulture item, or natural fiber item.

14 Sec. 11. NEW SECTION. 187.103 **Administration.**

15 The department shall adopt all rules under chapter 17A as it
16 determines necessary or desirable to administer this chapter.

17 Sec. 12. NEW SECTION. 187.321 **Value-added agricultural**
18 **grant program.**

19 A value-added agricultural grant program is created within
20 the department. The purpose of the program is to identify,
21 evaluate, and support projects and services that add value to
22 agricultural commodities produced on Iowa farms, including by
23 supporting new technologies and marketing strategies.

24 Sec. 13. REPEAL. Sections 159.26 and 159.27, Code 2024,
25 are repealed.

26 Sec. 14. TRANSFER OF MONEYS.

27 1. Not later than June 30, 2024, the unencumbered or
28 unobligated balances in all of the following funds shall be
29 transferred to the choose Iowa fund created in section 159.31
30 as follows:

31 a. (1) The butchery innovation and revitalization fund
32 created in section 15E.370.

33 (2) The economic development authority shall retain any
34 encumbered or obligated moneys in the fund to wind down the
35 authority's administration of the butchery innovation and

1 revitalization program.

2 b. The dairy innovation fund created in section 159.31A.

3 2. Not later than June 30, 2024, any moneys appropriated
4 to the department of agriculture and land stewardship that the
5 department has not expended as required to support a value
6 added agriculture grant program shall be transferred to the
7 choose Iowa fund, including moneys appropriated in 2022 Iowa
8 Acts, chapter 1147, section 12, and 2023 Iowa Acts, chapter
9 109, section 4, subsection 9.

10 Sec. 15. WINDING DOWN PROVISIONS. The economic development
11 authority shall only use moneys in the butchery innovation and
12 revitalization fund created in section 15E.370 to wind down its
13 administration of the butchery innovation and revitalization
14 fund and program created in section 15E.370.

15 Sec. 16. TRANSITION PROVISIONS.

16 1. Any promulgated administrative decision, including a
17 rule, regulation, form, order, or directive, by the economic
18 development authority governing the butchery innovation
19 and revitalization program created in section 15E.370 and
20 transferred in this division of this Act to the department
21 of agriculture and land stewardship, and in effect on June
22 30, 2024, shall continue in full force and effect until
23 amended, repealed, or supplemented by affirmative action of the
24 department of agriculture and land stewardship.

25 2. The terms or conditions of any financial assistance
26 awarded, or contract entered into, as of June 30, 2024, by
27 the economic development authority governing the butchery
28 innovation and revitalization program created in section
29 15E.370 and transferred in this division of this Act to the
30 department of agriculture and land stewardship, and in effect
31 on June 30, 2024, shall continue in full force and effect
32 pursuant to the terms of the award or contract.

33 3. Any legal action, including an administrative hearing,
34 cause of action, or statute of limitation relating to the
35 economic development authority governing the butchery

1 innovation and revitalization program created in section
2 15E.370 and transferred to the department of agriculture and
3 land stewardship, and in effect on June 30, 2024, shall not
4 be affected as a result of the transfer, except that the
5 department shall be regarded as the authority's successor in
6 interest.

7 Sec. 17. CODE EDITOR DIRECTIVE.

8 1. The Code editor is directed to make the following
9 transfers:

- 10 a. Section 15E.370 to 187.311.
- 11 b. Section 159.28 to 187.301.
- 12 c. Section 159.29 to 187.302.
- 13 d. Section 159.30 to 187.303.
- 14 e. Section 159.31 to 187.201.
- 15 f. Section 159.31A to 187.313.

16 2. The Code editor shall correct internal references in the
17 Code and in any enacted legislation as necessary due to the
18 enactment of this section.

19 Sec. 18. DIRECTIONS TO CODE EDITOR — SUBCHAPTERS AND
20 PARTS. The Code editor is directed to divide the provisions
21 of chapter 187, as amended, enacted, or transferred in this
22 division of this Act, into subchapters and parts as follows:

- 23 1. Subchapter I, including sections 187.101 through
24 187.103.
- 25 2. Subchapter II, including section 187.201.
- 26 3. Subchapter III, as follows:
 - 27 a. Part 1, including sections 187.301 through 187.303.
 - 28 b. Part 2, including sections 187.311 and 187.313.
 - 29 c. Part 3, including section 187.321.

30 Sec. 19. EFFECTIVE DATE.

31 1. Except as provided in subsection 2, this division of this
32 Act takes effect July 1, 2024.

33 2. The following sections of this division of this Act,
34 being deemed of immediate importance, take effect upon
35 enactment:

1 a. The section that provides for the transfer of moneys.

2 b. The section that provides for the transition of
3 administrative decisions, financial assistance or contracts, or
4 legal action.

5 c. The section that provides for the winding down of the
6 butchery innovation and revitalization fund and program created
7 in section 15E.370.

8 DIVISION III

9 COMMERCIAL ESTABLISHMENTS

10 Sec. 20. Section 162.2, subsection 8, Code 2024, is amended
11 to read as follows:

12 8. "*Commercial breeder*" means a person, engaged in the
13 business of breeding dogs or cats, who sells, exchanges, or
14 leases dogs or cats in return for consideration, or who offers
15 to do so, whether or not the animals are raised, trained,
16 groomed, or boarded by the person. A person who owns or
17 harbors three or fewer breeding males or females is not a
18 commercial breeder. ~~However, a person who breeds any number~~
19 ~~of breeding male or female greyhounds for the purposes of~~
20 ~~using them for pari-mutuel wagering at a racetrack as provided~~
21 ~~in [chapter 99D](#) shall be considered a commercial breeder~~
22 ~~irrespective of whether the person sells, leases, or exchanges~~
23 ~~the greyhounds for consideration or offers to do so.~~

24 Sec. 21. Section 162.2B, subsection 1, paragraph b, Code
25 2024, is amended to read as follows:

26 b. For the issuance or renewal of a state license or permit,
27 one hundred seventy-five dollars. ~~However, a commercial~~
28 ~~breeder who owns, keeps, breeds, or transports a greyhound dog~~
29 ~~for pari-mutuel wagering at a racetrack as provided in chapter~~
30 ~~99D shall pay a different fee for the issuance or renewal of a~~
31 ~~state license as provided in rules adopted by the department.~~

32 Sec. 22. Section 162.10A, subsection 2, Code 2024, is
33 amended to read as follows:

34 2. a. Except as provided in paragraph "b" or "c", a
35 commercial establishment shall comply with rules that the

1 department adopts to implement [subsection 1](#). A commercial
2 establishment shall be regulated under this paragraph "a"
3 unless the person is a ~~state licensee as provided in paragraph~~
4 ~~"b" or a permittee as provided in paragraph "c" "b"~~.

5 ~~b. A state licensee who is a commercial breeder owning,~~
6 ~~breeding, transporting, or keeping a greyhound dog for~~
7 ~~pari-mutuel wagering at a racetrack as provided in chapter 99D~~
8 ~~may be required to comply with different rules adopted by the~~
9 ~~department.~~

10 ~~c.~~ b. A permittee is not required to comply with rules
11 that the department adopts to implement a standard of care as
12 provided in [subsection 1](#) for state licensees and registrants.
13 The department may adopt rules regulating a standard of care
14 for a permittee, so long as the rules are not more restrictive
15 than required for a permittee under the Animal Welfare Act.
16 However, the department may adopt prescriptive rules relating
17 to the standard of care. Regardless of whether the department
18 adopts such rules, a permittee meets the standard of care
19 required in [subsection 1](#) if it voluntarily complies with rules
20 applicable to state licensees or registrants. A finding by
21 the United States department of agriculture that a permittee
22 complies with the Animal Welfare Act is not conclusive when
23 determining that the permittee provides a standard of care
24 required in [subsection 1](#).

25 Sec. 23. Section 717B.3, subsection 2, paragraph a,
26 subparagraph (2), subparagraph divisions (a) and (b), Code
27 2024, are amended to read as follows:

28 (a) A state licensee or registrant operating pursuant to
29 section 162.10A, subsection 2, paragraph "a" ~~or "b"~~.

30 (b) A permittee operating pursuant to section 162.10A,
31 subsection 2, paragraph ~~"c"~~ "b".

32 DIVISION IV

33 GRADE "A" MILK

34 Sec. 24. Section 192.101A, Code 2024, is amended by adding
35 the following new subsections:

1 NEW SUBSECTION. 1A. "*Department*" means the department of
2 agriculture and land stewardship.

3 NEW SUBSECTION. 5. "*Secretary*" means the secretary of
4 agriculture.

5 Sec. 25. Section 192.109, Code 2024, is amended to read as
6 follows:

7 **192.109 Certification of grade "A" label.**

8 The department of ~~agriculture and land stewardship~~ shall
9 ~~annually~~ biennially conduct a survey and based on that survey
10 certify all milk labeled grade "A" pasteurized and grade "A"
11 raw milk for pasteurization, ~~and, in.~~ In the event that a
12 survey shows the requirements for production, processing, and
13 distribution for such grade are not being complied with, ~~the~~
14 that fact ~~thereof~~ shall be certified by the department to the
15 secretary of ~~agriculture~~ who shall proceed with the provisions
16 of [section 192.107](#) for suspending the permit of the violator or
17 who, if the secretary did not issue such permit, shall withdraw
18 the grade "A" declared on the label.

19 Sec. 26. Section 192.111, subsection 1, paragraph a,
20 subparagraph (5), Code 2024, is amended to read as follows:

21 (5) A milk grader which must obtain a milk grader permit and
22 pay a ~~license~~ permit fee not greater than twenty dollars.

23 Sec. 27. Section 192.116, Code 2024, is amended to read as
24 follows:

25 **192.116 Bacteriologists.**

26 The department of ~~agriculture and land stewardship~~ may
27 employ dairy specialists or bacteriologists who shall devote
28 their full time to the improvement of sanitation in the
29 production, processing, and marketing of dairy products.
30 ~~Said~~ The dairy specialists and bacteriologists shall have
31 qualifications as to education and experience and such other
32 requirements as the secretary may require.

33 Sec. 28. Section 192.118, subsection 1, Code 2024, is
34 amended to read as follows:

35 1. To ensure uniformity in the tests and reporting, an

1 employee certified by the United States public health service
2 of the bacteriological laboratory of the department shall
3 annually certify, in accordance with rules adopted by the
4 department incorporating or incorporating by reference the
5 federal publication entitled "Evaluation of Milk Laboratories",
6 all laboratories doing work in the sanitary quality of
7 milk and dairy products for public report. The approval by
8 the department shall be based on the evaluation of these
9 laboratories as to personnel training, laboratory methods
10 used, and reporting. The results on tests made by approved
11 laboratories shall be reported to the department on request,
12 on forms prescribed by the secretary of agriculture, and such
13 reports may be used by the department.

14 DIVISION V

15 FERTILIZERS AND SOIL CONDITIONERS

16 Sec. 29. Section 200.3, subsection 29, Code 2024, is amended
17 to read as follows:

18 29. The term "*unmanipulated manures*" means any substances
19 composed primarily of excreta, plant remains, or mixtures of
20 such substances which have not been processed in any manner
21 other than dewatering.

22 Sec. 30. EFFECTIVE DATE. This division of this Act, being
23 deemed of immediate importance, takes effect upon enactment.

24 EXPLANATION

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

27 GENERAL. This bill provides for the administration of
28 a number of programs and regulations by the department of
29 agriculture and land stewardship (DALS). Specifically,
30 the bill addresses the promotion of the native horse racing
31 industry by providing for the qualification of Iowa-foaled
32 horse breeds; agricultural marketing, by revising a number
33 of existing programs such as the choose Iowa promotional
34 program and choose Iowa fund, the butchery innovation and
35 revitalization fund and program, the dairy innovation program

1 and fund, and the value-added agricultural grant program; the
2 regulation of commercial establishments that keep certain
3 nonagricultural animals for commercial purposes, by eliminating
4 special requirements related to greyhound racing; and the
5 regulation of permittees authorized to engage in the handling
6 of grade "A" milk and related dairy products.

7 IOWA-FOALED HORSES. DALS regulates the status and care
8 of race horses involved in pari-mutual wagering conducted
9 by persons licensed by the racing and gaming commission to
10 operate racetracks and manage associated purses. There are
11 three breeds of horses involved in such racing, including
12 thoroughbred horses, quarter horses, and standardbred horses.
13 For at least one race of each racing day, either a race must
14 be limited to Iowa-foaled horses or alternatively Iowa-foaled
15 horses must be given a weight advantage (Code section 99D.22).
16 At least 20 percent of all net purse moneys distributed to
17 each breed must be awarded in the form of Iowa breeder awards
18 or purse supplements to Iowa breeders. One criteria used to
19 determine a foal's status as Iowa bred occurs in cases in which
20 the foal's brood mare was bred by a stallion not recognized
21 by DALS as an Iowa registered stallion and was not bred back
22 to an Iowa registered stallion. In that case, the brood mare
23 must have continuous Iowa residency from December 31 until the
24 foal is inspected. The bill provides that for thoroughbred
25 horses that beginning date is moved back to December 15, and
26 for quarter horses and standardbred horses that beginning date
27 is moved forward to January 31.

28 AGRICULTURAL MARKETING — CHOOSE IOWA PROMOTIONAL PROGRAM
29 AND CHOOSE IOWA PROMOTIONAL FUND. In 2022, the general
30 assembly established the choose Iowa promotional program
31 (choose Iowa program) and choose Iowa fund administered by
32 DALS (2022 Iowa Acts, chapter 1152). The stated purpose of
33 the choose Iowa program and fund is to provide consumers a
34 choice to purchase a food item originating as an agricultural
35 commodity (commodity) produced on an Iowa farm or a food

1 item processed in Iowa using the commodity as an ingredient
2 (Code sections 159.26 through 159.31). As part of the choose
3 Iowa program, DALs may establish a choose Iowa logo (logo)
4 and register the logo for legal protection with the state or
5 the United States (e.g., by trademark or copyright). DALs
6 may also enter into a licensing agreement with a person who
7 applies to use the logo when selling a food item on a retail
8 basis. A choose Iowa fund was established to finance the
9 program. The fund includes fees paid by licensees and any
10 moneys appropriated by the general assembly. The bill uses
11 the term "product" to describe both raw and processed items
12 (i.e., moveable goods) that may be sold at retail using the
13 logo. It expands the program to include horticulture items (a
14 nursery, floral, or greenhouse plant) and natural fiber items
15 (e.g., wool). In all cases, the product must be a commodity
16 produced on an Iowa farm, a commodity produced on an Iowa farm
17 and processed in this state, or a commodity produced on an Iowa
18 farm and used as a component in a product processed in this
19 state. The bill changes the fund's name to the choose Iowa
20 promotional fund.

21 AGRICULTURAL MARKETING — BUTCHERY AND DAIRY INNOVATION
22 FUNDS AND PROGRAMS. In 2021, the general assembly created
23 a butchery innovation and revitalization fund and program
24 (2021 Iowa Acts, chapter 175) administered by the economic
25 development authority (IEDA) under Code section 15E.370. Its
26 purpose is to provide financial assistance to small-scale meat
27 processing businesses and locker plants. In 2023, the general
28 assembly created a dairy innovation fund and program (2023 Iowa
29 Acts, chapter 101) administered by DALs under Code section
30 159.31A. Its purpose is to provide financial assistance to
31 small-scale businesses engaged in dairy processing. Both
32 the funds and programs share a number of common provisions.
33 Each provide financing to an eligible business in the form
34 of a grant, low-interest loan, or forgivable loan, and each
35 provide similar criteria for participation, including a limit

1 on the number of individuals that may be employed by the
2 business. The bill eliminates both the butchery innovation and
3 revitalization fund and dairy innovation fund. It provides
4 that DALs rather than IEDA will administer the butchery
5 innovation and revitalization program. It also changes the
6 name of the dairy innovation program to the dairy innovation
7 and revitalization program.

8 AGRICULTURAL MARKETING — VALUE-ADDED AGRICULTURAL GRANT
9 PROGRAM. The bill establishes the value-added agricultural
10 grant program. The purpose of the program is to support
11 projects and services that add value to agricultural
12 commodities produced on Iowa farms (e.g., by processing). The
13 program has been enacted and supported in recent DALs general
14 appropriations Acts but not codified (see 2021 Iowa Acts,
15 chapter 143, section 12; 2022 Iowa Acts, chapter 1147, section
16 12; and 2023 Iowa Acts, chapter 109, section 4).

17 AGRICULTURAL MARKETING — CONSOLIDATION OF FUNDS AND
18 PROGRAMS. The bill consolidates a number of agricultural
19 marketing funds and programs in Code chapters 15E and 159
20 under new Code chapter 187 administered by DALs. The new
21 Code chapter is divided into three subchapters. Subchapter
22 I provides three new Code sections, including Code section
23 187.101 that names the Code chapter, "Choose Iowa Act"; Code
24 section 187.102 that combines definitions taken from other Code
25 sections; and Code section 187.103 authorizing DALs to adopt
26 rules necessary to administer the Code chapter. Subchapter II
27 includes amended Code section 159.31, establishing the choose
28 Iowa fund (transferred to Code section 187.201) which will
29 support all of the Code chapter's marketing programs. Finally,
30 subchapter III includes three parts. Part 1 includes amended
31 Code section 159.28 establishing the choose Iowa promotional
32 program (transferred to Code section 187.301), Code section
33 159.29 providing for the choose Iowa logo (transferred to Code
34 section 187.302), and Code section 159.30 providing for license
35 agreements and fees (transferred to Code section 187.303).

1 Part 2 includes amended Code section 15E.370 providing for the
 2 butchery innovation and revitalization program (transferred to
 3 Code section 187.311) and amended Code section 159.31A creating
 4 the dairy innovation and revitalization program (transferred to
 5 Code section 187.313. Part 3 includes new Code section 187.321
 6 providing for the value-added agricultural grant program. The
 7 bill also provides for transfer of moneys to the choose Iowa
 8 fund from the eliminated butchery innovation and revitalization
 9 fund and dairy innovation fund. The choose Iowa fund also
 10 includes any moneys that had been appropriated to support the
 11 value-added agricultural grant program. Finally, the bill
 12 includes provisions allowing IEDA to wind up its affairs, and
 13 transition provisions.

14 REGULATION OF COMMERCIAL ESTABLISHMENTS. DALS regulates
 15 commercial establishments that keep certain nonagricultural
 16 animals for commercial purposes on a nonprofit or profit
 17 basis, including an animal shelter, pound, or research
 18 facility issued a certificate of registration (Code sections
 19 162.3, 162.4, and 162.4A); a pet shop, boarding kennel, or
 20 commercial kennel issued a state license (Code sections 162.5,
 21 162.5A, and 162.6); or a dealer, commercial breeder, or public
 22 auction who may elect to be either issued a state license or
 23 a permit. A permit is issued if the person is licensed under
 24 the federal Animal Welfare Act (7 U.S.C. ch. 54) by the United
 25 States department of agriculture (Code sections 162.7, 162.8,
 26 and 162.9A). Code chapter 162 provides special regulations
 27 applicable to a greyhound dog if used for pari-mutuel wagering
 28 at a licensed racetrack (racing greyhound) (Code chapter 99D).
 29 The bill eliminates those special provisions. Currently, a
 30 person is regulated as a commercial breeder and is subject to
 31 license or permit requirements if the person breeds dogs or
 32 cats in exchange for payment with an exception that applies
 33 to a person who keeps three or fewer breeding greyhounds.
 34 The exception does not apply to a person who breeds racing
 35 greyhounds (Code section 162.2). A person applying for a

1 state license or permit is required to pay DALs \$175 with
2 an exception for a person who keeps racing greyhounds (Code
3 section 162.2B). A person who keeps greyhounds must be issued
4 a state license and is subject to a fee established by DALs
5 rule which is currently \$40 (21 IAC 67.17). A commercial
6 establishment is required to comply with standard of care
7 requirements including providing a kept animal with adequate
8 feed, adequate water, housing facilities, sanitary control,
9 grooming practices, and veterinary care as required by DALs
10 rule (Code section 162.10A). A state licensee who is a
11 commercial breeder keeping a racing greyhound may be required
12 to comply with different rules adopted by the department.

13 GRADE "A" MILK REGULATION. Iowa has adopted by reference
14 the model "Grade 'A' Pasteurized Milk Ordinance" as part of
15 its "Iowa Grade 'A' Milk Inspection Law" (Code chapter 192).
16 The bill makes several editorial changes to improve the Code's
17 readability, including by defining the terms "department"
18 as the department of agriculture and land stewardship and
19 "secretary" as the secretary of agriculture, and using those
20 terms consistently throughout the Code chapter. In order to
21 handle raw milk for pasteurization and processing, a person
22 must be issued a permit by DALs (Code section 192.107; 21
23 IAC 68.2). Each year, DALs is required to conduct a survey
24 of permittees to verify that the milk they handle meets
25 requirements to be labeled grade "A" for pasteurization. The
26 bill provides that the survey is to be conducted every other
27 year. DALs may suspend or revoke a permit for a person who does
28 not comply with the sanitary requirements.

29 UNMANIPULATED MANURES. The bill amends a provision in Code
30 chapter 200, which provides for the regulation of the sale
31 of fertilizers and soil conditioners by DALs. Specifically,
32 the bill amends the defined term "unmanipulated manures" which
33 means any substances composed of excreta or plant remains
34 that have not been processed. The bill provides that the
35 term includes such substances processed by dewatering. This

1 provision takes effect upon enactment.

2 EFFECTIVE DATES. The bill takes effect July 1, 2024,
3 except for three sections that take effect upon enactment.
4 The sections all relate to agricultural marketing and include
5 provisions authorizing the transfer of moneys, winding down
6 affairs by IEDA, and an administrative transition period.