

House File 179 - Introduced

HOUSE FILE 179
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 32)

A BILL FOR

1 An Act providing for the licensing of food processing plants,
2 including certain operations located on the premises of farms
3 or private residences, and providing fees.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 137F.1, subsection 10, Code 2025, is
2 amended to read as follows:

3 10. a. "Food processing plant" means a any of the following:

4 (1) A commercial operation that manufactures, packages,
5 labels, or stores food for human consumption and does not provide
6 food directly to a consumer for distribution or sale on a
7 wholesale basis.

8 (2) An operation located on the premises of a farm or
9 private residence that stores officially processed packaged meat
10 or poultry raised by the licensee and offered for sale on a
11 wholesale or retail basis.

12 b. "Food processing plant" does not include any of the
13 following:

14 ~~a.~~ (1) A premises covered by a class "A" beer permit as
15 provided in chapter 123.

16 ~~b.~~ (2) A premises of a residence in which honey is stored;
17 prepared; packaged, including by placement in a container;
18 labeled; or from which honey is distributed.

19 ~~c.~~ (3) A premises covered by a class "A" wine permit as
20 provided in chapter 123.

21 ~~d.~~ (1) (4) (a) The premises of a raw milk dairy where raw
22 milk is produced, processed, labeled, marketed, or distributed by
23 a raw milk producer in compliance with chapter 195.

24 ~~(2)~~ (b) A premises of a raw milk dairy where a raw milk
25 product or raw milk dairy product is manufactured, labeled,
26 marketed, or distributed by a raw milk producer in compliance
27 with chapter 195.

28 Sec. 2. Section 137F.6, subsection 1, paragraph g, Code 2025,
29 is amended by striking the paragraph and inserting in lieu
30 thereof the following:

31 g. (1) Except as provided in subparagraph (2), for a food
32 processing plant, the annual license fee shall correspond to
33 the annual gross food and beverage sales of the food processing
34 plant, as follows:

35 (a) For annual gross sales of less than two hundred thousand

1 dollars, one hundred fifty dollars.

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

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

6 (2) For a food processing plant operating on the premises
7 of a farm or private residence that stores officially processed
8 packaged meat or poultry derived from animals raised by the
9 licensee and offered for sale on a wholesale or retail basis, the
10 license fee is seventy-five dollars.

11 EXPLANATION

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

14 BACKGROUND. Code chapter 137F regulates businesses engaged
15 in commercial food preparation and sale. The regulations are
16 administered and enforced by the department of inspections,
17 appeals, and licensing. One such regulated establishment is
18 a food processing plant (plant) that manufactures, packages,
19 labels, or stores food for human consumption but does not provide
20 food directly to a consumer on a retail basis (Code section
21 137F.1). A plant must be licensed by the department (Code
22 sections 137F.3 and 137F.4) and pay an associated license fee
23 (Code section 137F.6). In 2023, the general assembly enacted
24 legislation that revised the method used to calculate annual
25 license fees imposed on plants (2023 Iowa Acts, chapter 82). The
26 fee amount is based on a series of increasing steps calculated
27 using the plant's gross annual sales during the prior year.
28 The first step is \$75 for gross sales up to but not including
29 \$50,000, the second step is \$150 for gross sales of \$50,000 or
30 more but less than \$200,000, the third step is \$300 for gross
31 sales of \$200,000 or more but less than \$2 million, and the
32 fourth step is \$500 for gross sales of \$2 million or more (Code
33 section 137F.6).

34 BILL'S PROVISIONS — EXPANDED DESCRIPTION OF FOOD PROCESSING
35 PLANTS. This bill provides that a plant includes an operation

1 located on the premises of a farm or private residence that
2 stores officially processed packaged meat or poultry raised by
3 the licensee and offered for sale on either a wholesale or retail
4 basis.

5 BILL'S PROVISIONS — LICENSE FEES. The bill also revises the
6 license fee schedule for plants. It distinguishes between two
7 categories of plants: the first is a general category and the
8 second is a category of plant where meat is processed on the
9 premises of a farm or private residence. Under the general
10 category, the fee amount is based on a series of three increasing
11 steps calculated again using the plant's gross annual sales. For
12 a 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 is
17 a flat \$75.