

House Study Bill 338 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON MOHR)

A BILL FOR

1 An Act relating to and making appropriations involving
2 state government entities associated with agriculture, food
3 regulation, natural resources, and environmental protection,
4 and providing penalties.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Section 1. GENERAL FUND.

1. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department, including its divisions, for administration, regulation, and programs; for salaries, support, maintenance, and miscellaneous purposes; and for not more than the following full-time equivalent positions:
..... \$ 20,377,294
..... FTEs 420.00

2. Of the amount appropriated in subsection 1, the following amount is transferred to Iowa state university of science and technology, to be used for the university's midwest grape and wine industry institute:

..... \$ 325,000

3. The department shall submit a report each quarter of the fiscal year to the general assembly and the department of management. The report shall describe in detail the expenditure of moneys appropriated in this section to support the department's administration, regulation, and programs.

Sec. 2. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS — HORSE AND DOG RACING. There is appropriated from the moneys available under section 99D.13 to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purposes of supporting the department's administration and enforcement of horse and dog racing law pursuant to section 99D.22, including for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 305,516

1 the following amounts, or so much thereof as is necessary, to be
2 used for the purposes designated:

3 1. DAIRY REGULATION

4 a. For purposes of performing functions pursuant to section
5 192.109, including conducting a survey of grade "A" milk and
6 certifying the results to the secretary of agriculture:

7 \$ 189,196

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

13 2. LOCAL FOOD AND FARM PROGRAM

14 a. For purposes of supporting the local food and farm program
15 pursuant to chapter 267A:

16 \$ 125,000

17 b. Of the amount appropriated in this subsection, \$50,000 is
18 allocated to the department to support a project conducted by
19 Iowa state university of science and technology to study the
20 ability of the choose Iowa food program, created under section
21 187.304, as enacted by this Act, to serve rural grocers.

22 c. The department shall enter into a cost-sharing agreement
23 with Iowa state university of science and technology to support
24 the local food and farm program coordinator position as part of
25 the university's cooperative extension service in agriculture and
26 home economics pursuant to chapter 267A.

27 d. Notwithstanding section 8.33, moneys appropriated in this
28 subsection that remain unencumbered or unobligated at the close
29 of the fiscal year shall not revert but shall remain available
30 for expenditure for the purposes designated until the close of
31 the succeeding fiscal year.

32 3. AGRICULTURAL EDUCATION

33 a. For purposes of allocating moneys to an Iowa association
34 affiliated with a national organization that promotes
35 agricultural education providing for future farmers:

1 \$ 150,000

2 b. Notwithstanding section 8.33, moneys appropriated in this
3 subsection that remain unencumbered or unobligated at the close
4 of the fiscal year shall not revert but shall remain available
5 for expenditure for the purposes designated until the close of
6 the succeeding fiscal year.

7 4. FOREIGN ANIMAL DISEASES AFFLICTING LIVESTOCK

8 For deposit in the foreign animal disease preparedness and
9 response fund created in section 163.3B to further implement a
10 foreign animal disease preparedness and response strategy as
11 described in section 163.3C:

12 \$ 1,250,000

13 5. FARMERS WITH DISABILITIES PROGRAM

14 a. For purposes of supporting a program for farmers with
15 disabilities:

16 \$ 230,000

17 b. The moneys appropriated in this subsection shall be used
18 for the public purpose of providing a grant to a national
19 nonprofit organization with over 80 years of experience in
20 assisting children and adults with disabilities and special
21 needs. The moneys shall be used to support a nationally
22 recognized program that began in 1986 and has been replicated in
23 at least 30 other states, but is not available through any other
24 entity in this state, and that provides assistance to farmers
25 with disabilities in all 99 counties to allow the farmers to
26 remain in their own homes and be gainfully engaged in farming
27 through provision of agricultural worksite and home modification
28 consultations, peer support services, services to families,
29 information and referral, and equipment loan services.

30 c. Notwithstanding section 8.33, moneys appropriated in this
31 subsection that remain unencumbered or unobligated at the close
32 of the fiscal year shall not revert but shall remain available
33 for expenditure for the purposes designated until the close of
34 the succeeding fiscal year.

35 6. LOESS HILLS DEVELOPMENT AND CONSERVATION FUND

1 a. For deposit in the loess hills development and
2 conservation fund created pursuant to section 161D.2:
3 \$ 300,000

4 b. (1) Of the amount appropriated in this subsection,
5 \$270,000 shall be allocated to the fund's hungry canyons account.

6 (2) Not more than 10 percent of the moneys allocated in this
7 paragraph may be used for administrative costs.

8 c. (1) Of the amount appropriated in this subsection,
9 \$30,000 shall be allocated to the fund's loess hills alliance
10 account.

11 (2) Not more than 10 percent of the moneys allocated in this
12 paragraph may be used for administrative costs.

13 7. SOUTHERN IOWA DEVELOPMENT AND CONSERVATION FUND

14 a. For deposit in the southern Iowa development and
15 conservation fund created pursuant to section 161D.12:

16 \$ 100,000

17 b. Not more than 10 percent of the moneys appropriated in
18 this subsection may be used for administrative costs.

19 8. GRAIN REGULATION

20 For the administration and enforcement of chapters 203 and
21 203C, including salaries, support, maintenance, and miscellaneous
22 purposes:

23 \$ 350,000

24 9. CHOOSE IOWA FUND

25 a. For deposit in the choose Iowa fund created in section
26 187.201:

27 \$ 1,813,000

28 b. (1) Of the amount appropriated in this subsection, the
29 department shall use at least \$500,000 to support the value-added
30 agricultural grant program created in section 187.321.

31 (2) Of the amount appropriated in this subsection, the
32 department may use up to \$813,000 to support the choose Iowa
33 promotional program as provided in chapter 187, subchapter III,
34 part 1.

35 (3) Of the amount appropriated in this subsection, the

1 department shall use at least \$500,000 to support the dairy
2 innovation and revitalization program created in section 187.311.

3 c. The department may increase or decrease the amount of
4 moneys used to support a program described in paragraph "b" based
5 on the amount of moneys awarded to persons participating in the
6 program. The department shall publish a notice of the
7 department's action to increase or decrease the amount on the
8 department's internet site where the programs are advertised at
9 least thirty days prior to the day that the department takes such
10 action.

11 10. CHOOSE IOWA FOOD PURCHASING PROGRAM

12 a. For purposes of supporting the choose Iowa food purchasing
13 program to assist eligible participants in purchasing qualified
14 food products pursuant to section 187.304, as enacted by this
15 Act:

16 \$ 200,000

17 b. Notwithstanding section 8.33, moneys appropriated in this
18 subsection that remain unencumbered or unobligated at the close
19 of the fiscal year shall not revert but shall remain available
20 for expenditure for the purposes designated until the close of
21 the succeeding fiscal year.

22 11. MARKET REPORTING

23 a. For purposes of continuing data collection and reporting
24 for a daily grain or livestock report:

25 \$ 200,000

26 b. The department shall report data at a minimum at the
27 county level and make the report available for public
28 consumption.

29 Sec. 6. NEW SECTION. **187.304 Choose Iowa food purchasing**
30 **program.**

31 1. There is created within the department a choose Iowa food
32 purchasing program.

33 2. The department shall administer the program according to
34 all of the following:

35 a. A farm or business that owns or operates the farm source

1 shall be given a preference to participate in the program if
2 the farm or business is currently participating in the choose
3 Iowa promotional program as provided in this part 1 of subchapter
4 III. Otherwise, a farm or business may participate in the program
5 if the farm or business has applied to participate in the choose
6 Iowa promotional program and the department determines that the
7 application will be approved.

8 b. An eligible participant is limited to any Iowa food bank
9 or an Iowa emergency feeding organization, recognized by the
10 department.

11 c. A qualified food product is limited to meat and poultry,
12 dairy products, grains, flour, eggs, honey, and produce.

13 d. The department is not required to follow a requirement in
14 chapter 190A that the department determines is not practical for
15 the program.

16 3. a. Of the moneys appropriated to support the program in
17 a fiscal year, not more than one hundred fifty thousand dollars
18 shall be used to reimburse Iowa food banks and Iowa emergency
19 feeding organizations.

20 b. An eligible participant shall be reimbursed on a matching
21 basis with the department contributing one dollar for every one
22 dollar expended by the eligible participant.

23 c. An Iowa food bank or Iowa emergency feeding organization
24 shall not receive more than twenty-five thousand dollars per
25 fiscal year for participating in the program.

26 4. The department may use not more than five percent of the
27 moneys appropriated to support the program in a fiscal year to
28 pay for the costs of administering the program.

29 5. The department shall prepare and submit a report regarding
30 its findings and recommendations to the governor and general
31 assembly not later than January 15 of each year.

32 6. This section is repealed July 1, 2030.

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DIVISION II

34

DEPARTMENT OF NATURAL RESOURCES

35

Sec. 7. GENERAL FUND.

1 1. There is appropriated from the general fund of the state
2 to the department of natural resources for the fiscal year
3 beginning July 1, 2025, and ending June 30, 2026, the following
4 amount, or so much thereof as is necessary, to be used for the
5 purposes designated:

6 For purposes of supporting the department, including its
7 divisions, for administration, regulation, and programs; for
8 salaries, support, maintenance, and miscellaneous purposes; and
9 for not more than the following full-time equivalent positions:

10	\$ 12,816,738
11	FTEs 1,145.95

12 2. Of the number of full-time equivalent positions authorized
13 to the department pursuant to subsection 1, 50.00 full-time
14 equivalent positions shall be allocated by the department for
15 seasonal employees for purposes of providing maintenance, upkeep,
16 and sanitary services at state parks. This subsection shall not
17 impact conservation officer, park ranger, or park manager
18 positions within the department.

19 3. The department shall submit a report each quarter of the
20 fiscal year to the general assembly and the department of
21 management. The report shall describe in detail the expenditure
22 of moneys appropriated under this section to support the
23 department's administration, regulation, and programs.

24 Sec. 8. STATE FISH AND GAME PROTECTION FUND — REGULATION AND
25 ADVANCEMENT OF OUTDOOR ACTIVITIES.

26 1. There is appropriated from the state fish and game
27 protection fund created pursuant to section 456A.17 to the
28 department of natural resources for the fiscal year beginning
29 July 1, 2025, and ending June 30, 2026, the following amount, or
30 so much thereof as is necessary, to be used for the purposes
31 designated:

32 For purposes of supporting the regulation or advancement of
33 hunting, fishing, or trapping, or the protection, propagation,
34 restoration, management, or harvest of fish or wildlife,
35 including for administration, regulation, law enforcement, and

1 programs; and for salaries, support, maintenance, equipment, and
2 miscellaneous purposes:

3 \$ 51,404,790

4 2. Notwithstanding section 455A.10, the department may use
5 the unappropriated balance remaining in the state fish and game
6 protection fund to provide for the funding of health and life
7 insurance premium payments from unused sick leave balances of
8 conservation peace officers employed in a protection occupation
9 who retire, pursuant to section 97B.49B.

10 3. Notwithstanding section 455A.10, the department may use
11 the unappropriated balance remaining in the state fish and game
12 protection fund for the fiscal year beginning July 1, 2025, and
13 ending June 30, 2026, as is necessary to fund salary adjustments
14 for departmental employees for which the general assembly has
15 made an operating budget appropriation in subsection 1.

16 Sec. 9. GROUNDWATER PROTECTION FUND — WATER QUALITY. There
17 is appropriated from the groundwater protection fund created in
18 section 455E.11 to the department of natural resources for the
19 fiscal year beginning July 1, 2025, and ending June 30, 2026,
20 from those moneys that are not allocated pursuant to that
21 section, the following amount, or so much thereof as is
22 necessary, to be used for the purposes designated:

23 For purposes of supporting the department’s protection of the
24 state’s groundwater, including for administration, regulation,
25 and programs, and for salaries, support, maintenance, equipment,
26 and miscellaneous purposes:

27 \$ 3,455,850

28 Sec. 10. SPECIAL SNOWMOBILE FUND — SNOWMOBILE PROGRAM.

29 There is appropriated from the special snowmobile fund created
30 under section 321G.7 to the department of natural resources for
31 the fiscal year beginning July 1, 2025, and ending June 30, 2026,
32 the following amount, or so much thereof as is necessary, to be
33 used for the purposes designated:

34 For purposes of administering and enforcing the state
35 snowmobile programs:

1 \$ 100,000

2 Sec. 11. SPECIAL APPROPRIATIONS FROM GENERAL FUND TO
3 DEPARTMENT. There is appropriated from the general fund of the
4 state to the department of natural resources for the fiscal year
5 beginning July 1, 2025, and ending June 30, 2026, the following
6 amounts, or so much thereof as is necessary, to be used for the
7 purposes designated:

8 1. FLOODPLAIN MANAGEMENT AND DAM SAFETY

9 a. For purposes of supporting floodplain management and dam
10 safety:

11 \$ 1,510,000

12 b. Of the amount appropriated in this subsection, up to
13 \$400,000 may be used by the department to acquire or install
14 stream gages for purposes of tracking and predicting flood events
15 and for compiling necessary data to improve flood frequency
16 analysis.

17 c. Notwithstanding section 8.33, moneys appropriated in this
18 subsection that remain unencumbered or unobligated at the close
19 of the fiscal year shall not revert but shall remain available
20 for expenditure for the purposes designated until the close of
21 the succeeding fiscal year.

22 2. FORESTRY HEALTH MANAGEMENT

23 a. For purposes of providing for forestry health management
24 programs:

25 \$ 525,000

26 b. Notwithstanding section 8.33, moneys appropriated in this
27 subsection that remain unencumbered or unobligated at the close
28 of the fiscal year shall not revert but shall remain available
29 for expenditure for the purposes designated until the close of
30 the succeeding fiscal year.

31 3. STATE PARK OPERATIONS

32 For supporting operations at state parks, including
33 maintenance and repair of grounds and facilities:

34 \$ 1,000,000

35 4. STATE PARK MAINTENANCE

1 For structural and infrastructural repairs in state parks:
2 \$ 500,000

3 DIVISION III

4 IOWA STATE UNIVERSITY

5 Sec. 12. SPECIAL GENERAL FUND APPROPRIATIONS. There is
6 appropriated from the general fund of the state to Iowa state
7 university of science and technology for the fiscal year
8 beginning July 1, 2025, and ending June 30, 2026, the following
9 amounts, or so much thereof as is necessary, to be used for the
10 purposes designated:

11 1. VETERINARY DIAGNOSTIC LABORATORY

12 a. For purposes of supporting the college of veterinary
13 medicine for the operation of the veterinary diagnostic
14 laboratory, and for not more than the following full-time
15 equivalent positions:

16 \$ 4,899,898
17 FTEs 51.00

18 b. (1) Iowa state university of science and technology shall
19 not reduce the amount that it allocates to support the college of
20 veterinary medicine from any other source due to the
21 appropriation made in this subsection.

22 (2) Subparagraph (1) does not apply to a reduction made to
23 support the college of veterinary medicine if the same percentage
24 of reduction imposed on the college of veterinary medicine is
25 also imposed on all of Iowa state university of science and
26 technology's budget units.

27 c. If by June 30, 2026, Iowa state university of science and
28 technology fails to allocate the moneys appropriated in this
29 subsection to the college of veterinary medicine in accordance
30 with this subsection, the moneys appropriated in this subsection
31 for that fiscal year shall revert to the general fund of the
32 state.

33 2. MANAGEMENT OF PRIVATE FORESTS

34 a. For purposes of supporting the Iowa cooperative extension
35 service in agriculture and home economics in providing technical

1 support to landowners and loggers regarding the management of
2 private forests in northeast Iowa, and for not more than the
3 following full-time equivalent positions:

4 \$ 150,000
5 FTEs 1.00

6 b. The department of natural resources shall cooperate with
7 the Iowa cooperative extension service in agriculture and home
8 economics in administering this subsection.

9 3. LIVESTOCK DISEASE RESEARCH

10 a. For deposit in the livestock disease research fund created
11 in section 267.8:

12 \$ 291,390

13 b. Moneys appropriated under this subsection shall be used by
14 Iowa state university of science and technology to support animal
15 disease research in areas of importance to livestock producers.

16 Sec. 13. IOWA NUTRIENT REDUCTION FUND — VETERINARY
17 DIAGNOSTIC LABORATORY. Notwithstanding section 466B.46, there is
18 appropriated from the Iowa nutrient research fund created in
19 section 466B.46 to Iowa state university of science and
20 technology for the fiscal year beginning July 1, 2025, and ending
21 June 30, 2026, the following amount, or so much thereof as is
22 necessary, to be used for the purposes designated:

23 For purposes of supporting the college of veterinary medicine
24 for the operation of the veterinary diagnostic laboratory:
25 \$ 120,000

26 DIVISION IV

27 STATE UNIVERSITY OF IOWA

28 Sec. 14. IOWA'S CENTER FOR AGRICULTURAL SAFETY AND HEALTH
29 (I-CASH).

30 1. There is appropriated from the general fund of the state
31 to the state university of Iowa for the fiscal year beginning
32 July 1, 2025, and ending June 30, 2026, the following amount, or
33 so much thereof as is necessary, to be used for the purposes
34 designated:

35 For supporting the operations of Iowa's center for

1 agricultural safety and health, as part of the university's
2 college of public health, and in cooperation with the department
3 of agriculture and land stewardship, to anticipate, recognize,
4 and prevent occupational illness and injury among members of the
5 agricultural community:

6 \$ 128,154

7 2. a. As a condition of the appropriation made in subsection
8 1, the state university of Iowa shall retain the director of
9 Iowa's center for agricultural safety and health employed on the
10 effective date of this division of this Act for at least the same
11 number of hours for the fiscal year beginning July 1, 2025, as
12 worked by the director during the fiscal year beginning July 1,
13 2024.

14 b. As a condition of the appropriation made in subsection 1,
15 the state university of Iowa shall not reduce the amount
16 allocated to support Iowa's center for agricultural safety and
17 health from any other source due to the appropriation made in
18 subsection 1.

19 3. If by June 30, 2026, the state university of Iowa fails to
20 use the moneys appropriated in subsection 1 in accordance with
21 the purposes and conditions of subsections 1 and 2, any
22 unencumbered or unobligated moneys appropriated in subsection 1
23 for the fiscal year beginning July 1, 2025, and ending June 30,
24 2026, shall revert to the general fund of the state. In
25 addition, if moneys revert as required pursuant to section 8.33,
26 the state university of Iowa shall transfer to the general fund
27 of the state from any otherwise unencumbered or unobligated
28 moneys from any other general fund appropriation or from any
29 moneys available from other funding sources an amount equal to
30 the amount appropriated in subsection 1 less any amount that
31 reverted to the general fund of the state pursuant to section
32 8.33.

33 Sec. 15. IOWA GEOLOGICAL SURVEY — GROUNDWATER PLANNING AND
34 RESOURCE ASSESSMENT PROJECT.

35 1. There is appropriated from the general fund of the state

1 to the state university of Iowa for the fiscal year beginning
2 July 1, 2025, and ending June 30, 2026, the following amount, or
3 so much thereof as is necessary, to be used for the purposes
4 designated:

5 For purposes of supporting a groundwater planning and resource
6 assessment project to be administered by the Iowa geological
7 survey of the state as created pursuant to section 456.1:

8 \$ 200,000

9 2. The moneys appropriated in subsection 1 shall be used by
10 the Iowa geological survey to map and assess the condition of
11 this state's aquifers. The Iowa geological survey may measure
12 the volume of groundwater that is available for various uses, the
13 current and predicted allocations of groundwater to support those
14 uses, the recharge rate for the aquifers, and the development of
15 models for budgeting this state's water resources.

16 3. Notwithstanding section 8.33, moneys appropriated in
17 subsection 1 that remain unencumbered or unobligated at the close
18 of the fiscal year shall not revert but shall remain available
19 for expenditure for the purposes designated in subsection 1.

20 DIVISION V

21 ENVIRONMENT FIRST FUND — GENERAL APPROPRIATIONS

22 Sec. 16. DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP.

23 There is appropriated from the environment first fund created in
24 section 8.57A to the department of agriculture and land
25 stewardship for the fiscal year beginning July 1, 2025, and
26 ending June 30, 2026, the following amounts, or so much thereof
27 as is necessary, to be used for the purposes designated:

28 1. CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)

29 a. For the conservation reserve enhancement program to
30 restore and construct wetlands for the purposes of intercepting
31 tile line runoff, reducing nutrient loss, improving water
32 quality, and enhancing agricultural production practices:

33 \$ 1,000,000

34 b. Not more than 10 percent of the moneys appropriated in
35 paragraph "a" may be used for costs of administration and

1 implementation of soil and water conservation practices.

2 c. Notwithstanding any other provision of law, the department
3 may use moneys appropriated in this subsection, in combination
4 with other appropriate environment first fund appropriations, for
5 cost sharing to match United States department of agriculture,
6 natural resources conservation service, wetlands reserve
7 enhancement program (WREP) funding available to Iowa.

8 2. WATERSHED PROTECTION

9 a. For continuation of a program that provides multiobjective
10 resource protections for flood control, water quality, erosion
11 control, and natural resource conservation:

12 \$ 900,000

13 b. Not more than 10 percent of the moneys appropriated in
14 paragraph "a" may be used for costs of administration and
15 implementation of soil and water conservation practices.

16 3. CONSERVATION RESERVE PROGRAM (CRP)

17 a. To encourage and assist farmers in enrolling in and the
18 implementation of the federal conservation reserve program and to
19 work with them to enhance their revegetation efforts to improve
20 water quality and habitat:

21 \$ 900,000

22 b. Not more than 10 percent of the moneys appropriated in
23 paragraph "a" may be used for costs of administration and
24 implementation of soil and water conservation practices.

25 4. SOIL AND WATER CONSERVATION

26 a. For use by the department in providing for soil and water
27 conservation:

28 \$ 8,325,000

29 b. (1) Of the amount appropriated in paragraph "a", for
30 transfer to the hungry canyons account of the loess hills
31 development and conservation fund created in section 161D.2:

32 \$ 140,000

33 (2) Not more than 10 percent of the moneys transferred in
34 subparagraph (1) may be used for administrative costs.

35 c. Of the remaining amount appropriated in paragraph "a", for

1 use by the department in providing for soil and water
2 conservation administration, the conservation of soil and water
3 resources, or the support of soil and water conservation
4 districts:

5 \$ 8,185,000

6 d. Of the amount appropriated in paragraph "c" that the
7 department allocates to a soil and water conservation district,
8 the first \$15,000 may be expended by the district for the purpose
9 of providing financial incentives under section 161A.73 to
10 establish management practices for the control of soil erosion on
11 land that is row-cropped, including but not limited to nontill
12 planting, ridge-till planting, and contouring strip-cropping. Of
13 any remaining amount of that appropriation allocated by the
14 department to a district, 30 percent may be expended by the
15 district for that same purpose.

16 e. Not more than 5 percent of the moneys appropriated in
17 paragraph "c" may be allocated for cost sharing to address
18 complaints filed under section 161A.47.

19 f. Of the moneys appropriated in paragraph "c", 5 percent
20 shall be allocated for financial incentives to establish
21 practices to protect watersheds above publicly owned lakes of the
22 state from soil erosion and sediment as provided in section
23 161A.73.

24 g. The division of soil conservation and water quality
25 created within the department pursuant to section 159.5 may
26 allocate moneys appropriated in paragraph "c" to conduct research
27 and demonstration projects to promote conservation tillage and
28 nonpoint source pollution control practices.

29 h. The allocation of moneys as financial incentives as
30 provided in section 161A.73 may be used in combination with
31 moneys allocated by the department of natural resources.

32 i. Not more than 15 percent of the moneys appropriated in
33 paragraph "c" may be used for costs of administration and
34 implementation of soil and water conservation practices.

35 5. SOIL AND WATER CONSERVATION — ADMINISTRATION

1 a. For use by the department for costs of administration and
2 implementation of soil and water conservation practices:

3 \$ 3,800,000

4 b. Of the moneys appropriated in paragraph "a", \$150,000 is
5 allocated to support field staff providing technical assistance.

6 Sec. 17. DEPARTMENT OF NATURAL RESOURCES. There is
7 appropriated from the environment first fund created in section
8 8.57A to the department of natural resources for the fiscal year
9 beginning July 1, 2025, and ending June 30, 2026, the following
10 amounts, or so much thereof as is necessary, to be used for the
11 purposes designated:

12 1. STATE PARK MAINTENANCE AND OPERATIONS

13 For regular maintenance and operations of state parks and
14 staff time associated with these activities:

15 \$ 6,235,000

16 2. GEOGRAPHIC INFORMATION SYSTEM (GIS)

17 To provide local watershed managers with geographic
18 information system data for their use in developing, monitoring,
19 and displaying results of their watershed work:

20 \$ 195,000

21 3. WATER QUALITY MONITORING

22 For continuing the establishment and operation of water
23 quality monitoring stations:

24 \$ 2,955,000

25 4. PUBLIC WATER SUPPLY SYSTEM ACCOUNT

26 For deposit in the public water supply system account of the
27 water quality protection fund created in section 455B.183A:

28 \$ 500,000

29 5. REGULATION OF ANIMAL FEEDING OPERATIONS

30 For the regulation of animal feeding operations, including as
31 provided for in chapters 459, 459A, and 459B:

32 \$ 1,320,000

33 6. FLOODPLAIN MANAGEMENT AND DAM SAFETY

34 For supporting floodplain management and dam safety:

35 \$ 375,000

1 7. AMBIENT AIR QUALITY

2 For the abatement, control, and prevention of ambient air
3 pollution in this state, including measures as necessary to
4 assure attainment and maintenance of ambient air quality
5 standards from particulate matter:

6 \$ 425,000

7 Sec. 18. STATE UNIVERSITY OF IOWA — IOWA GEOLOGICAL SURVEY.

8 There is appropriated from the environment first fund created
9 in section 8.57A to the state university of Iowa for the fiscal
10 year beginning July 1, 2025, and ending June 30, 2026, the
11 following amounts, or so much thereof as is necessary, to be used
12 for the purposes designated:

13 1. IOWA GEOLOGICAL SURVEY OPERATIONS

14 For purposes of supporting the operations of the Iowa
15 geological survey of the state as created within the state
16 university of Iowa pursuant to section 456.1, including but not
17 limited to providing analysis; data maintenance, collection, and
18 compilation; investigative programs; and information for water
19 supply development and protection:

20 \$ 200,000

21 2. WATER RESOURCE MANAGEMENT

22 For purposes of supporting the Iowa geological survey in
23 measuring, assessing, and evaluating the quantity of water
24 sources in this state and assisting the department of natural
25 resources in regulating water quantity as provided in chapter
26 455B, subchapter III, part 4, pursuant to sections 455B.262B and
27 456.14:

28 \$ 495,000

29 Sec. 19. REVERSION.

30 1. a. Except as provided in paragraph "b", and
31 notwithstanding section 8.33, moneys appropriated for the fiscal
32 year beginning July 1, 2025, in this division of this Act that
33 remain unencumbered or unobligated at the close of the fiscal
34 year shall not revert but shall remain available for expenditure
35 for the purposes designated until the close of the succeeding

1 fiscal year, or until the project for which the appropriation was
2 made is completed, whichever is earlier.

3 b. Notwithstanding section 8.33, moneys appropriated for the
4 fiscal year beginning July 1, 2025, in this division of this
5 Act to the department of agriculture and land stewardship to
6 provide financial assistance for the establishment of permanent
7 soil and water conservation practices that remain unencumbered
8 or unobligated at the close of the fiscal year shall not revert
9 but shall remain available for expenditure for the purposes
10 designated until the close of the fiscal year beginning July 1,
11 2028.

12 2. Subsection 1 does not apply to moneys transferred pursuant
13 to this division of this Act to the loess hills development
14 and conservation fund created in section 161D.2, which shall not
15 revert as provided in that section.

16 DIVISION VI

17 ENVIRONMENT FIRST FUND — SPECIAL APPROPRIATIONS

18 Sec. 20. WATER QUALITY INITIATIVE — DEPARTMENT OF
19 AGRICULTURE AND LAND STEWARDSHIP.

20 1. There is appropriated from the environment first fund
21 created in section 8.57A to the department of agriculture and
22 land stewardship for the fiscal year beginning July 1, 2025, and
23 ending June 30, 2026, the following amount, or so much thereof as
24 is necessary, to be used for the purposes designated:

25 For deposit in the water quality initiative fund created in
26 section 466B.45, for purposes of supporting the water quality
27 initiative administered by the division of soil conservation and
28 water quality as provided in section 466B.42, including salaries,
29 support, maintenance, and miscellaneous purposes:

30 \$ 2,375,000

31 2. a. The moneys appropriated in subsection 1 shall be used
32 to support projects in subwatersheds as designated by the
33 division that are part of high-priority watersheds identified by
34 the water resources coordinating council established pursuant to
35 section 466B.3.

1 b. The moneys appropriated in subsection 1 shall be used to
2 support projects in watersheds generally, including regional
3 watersheds, as designated by the division and high-priority
4 watersheds identified by the water resources coordinating council
5 established pursuant to section 466B.3.

6 3. In supporting projects in subwatersheds and watersheds as
7 provided in subsection 2, all of the following apply:

8 a. The demonstration projects shall utilize water quality
9 practices as described in the Iowa nutrient reduction strategy as
10 defined in section 455B.171.

11 b. The division shall implement demonstration projects as
12 provided in paragraph "a" by providing for participation by
13 persons who hold a legal interest in agricultural land used in
14 farming. To every extent practical, the division shall provide
15 for collaborative participation by such persons who hold a legal
16 interest in agricultural land located within the same
17 subwatershed.

18 c. The division shall implement a demonstration project on a
19 cost-share basis as determined by the division. However, except
20 for edge-of-field practices, the state's share of the amount
21 shall not exceed 50 percent of the estimated cost of establishing
22 the practice as determined by the division or 50 percent of the
23 actual cost of establishing the practice, whichever is less.

24 d. The demonstration projects shall be used to educate other
25 persons about the feasibility and value of establishing similar
26 water quality practices. The division shall promote field day
27 events for purposes of allowing interested persons to establish
28 water quality practices on their agricultural land.

29 e. The division shall conduct water quality evaluations
30 within supported subwatersheds. Within a reasonable period after
31 accumulating information from such evaluations, the division
32 shall create an aggregated database of water quality practices.
33 Any information identifying a person holding a legal interest in
34 agricultural land or specific agricultural land shall be a
35 confidential record under section 22.7.

1 4. The moneys appropriated in subsection 1 shall be used to
2 support education and outreach in a manner that encourages
3 persons who hold a legal interest in agricultural land used for
4 farming to implement water quality practices, including the
5 establishment of such practices in watersheds generally, and not
6 limited to subwatersheds or high-priority watersheds.

7 5. The moneys appropriated in subsection 1 may be used to
8 contract with persons to coordinate the implementation of efforts
9 provided in this section.

10 6. The moneys appropriated in subsection 1 may be used by the
11 department to support urban soil and water conservation efforts,
12 which may include but are not limited to management practices
13 related to bioretention, landscaping, the use of permeable or
14 pervious pavement, and soil quality restoration. The moneys
15 shall be allocated on a cost-share basis as provided in chapter
16 161A.

17 7. Notwithstanding any other provision of law to the
18 contrary, the department may use moneys appropriated in
19 subsection 1 to carry out the provisions of this section on a
20 cost-share basis in combination with other moneys available to
21 the department from a state or federal source.

22 8. Not more than 10 percent of the moneys appropriated in
23 this section may be used to pay for the costs of administering
24 and implementing the water quality initiative by the department's
25 division of soil conservation and water quality as provided in
26 section 466B.42 and this section.

27 DIVISION VII

28 RESOURCES ENHANCEMENT AND PROTECTION — OPEN SPACES

29 Sec. 21. REAP — IN LIEU OF GENERAL FUND APPROPRIATION. In
30 lieu of the standing appropriation in section 455A.18, there is
31 appropriated from the environment first fund created in section
32 8.57A to the Iowa resources enhancement and protection fund for
33 the fiscal year beginning July 1, 2025, and ending June 30, 2026,
34 the following amount, to be allocated as provided in section
35 455A.19:

1 \$ 12,000,000

2 Sec. 22. REAP — OPEN SPACES ACCOUNT — STATE PARK
3 MAINTENANCE, OPERATIONS, AND FACILITY REFURBISHMENT.

4 Notwithstanding section 455A.19, subsection 1, paragraph "a",
5 subparagraph (1), of the moneys allocated to the open spaces
6 account of the Iowa resources enhancement and protection fund, up
7 to \$1,000,000 may be used by the department of natural resources
8 for state park maintenance, development, operations, and facility
9 refurbishment for the fiscal year beginning July 1, 2025, and
10 ending on June 30, 2026.

11 Sec. 23. Section 455A.18, subsection 3, paragraph a, Code
12 2025, is amended to read as follows:

13 a. For each fiscal year of the fiscal period beginning July
14 1, 1997, and ending June 30, ~~2026~~ 2031, there is appropriated
15 from the general fund, to the Iowa resources enhancement and
16 protection fund, the amount of twenty million dollars, to be used
17 as provided in this chapter. However, in any fiscal year of the
18 fiscal period, if moneys from the lottery are appropriated by the
19 state to the fund, the amount appropriated under this subsection
20 shall be reduced by the amount appropriated from the lottery.

21 DIVISION VIII

22 ANIMAL DISEASE PREPAREDNESS AND RESPONSE

23 Sec. 24. IOWA ANIMAL DISEASE PREVENTION FUND — SPECIAL
24 APPROPRIATIONS.

25 1. There is appropriated from the Iowa animal disease
26 prevention fund created in section 165.18, as amended by this
27 Act, to the department of agriculture and land stewardship for
28 the fiscal year beginning July 1, 2025, and ending June 30, 2026,
29 the following amount, or so much thereof as is necessary, to be
30 used for the purposes designated:

31 a. For purposes of purchasing and maintaining equipment to
32 further the implementation of the foreign animal disease
33 preparedness and response strategy developed under section
34 163.3C:

35 \$ 250,000

1 b. For purposes of assisting in the development of vaccines
2 against foreign animal diseases by a company based in Iowa that
3 develops livestock and other animal vaccines:

4 \$ 100,000

5 c. (1) For purposes of providing grants to assist livestock
6 producers in employing technologies or practices that deter and
7 drive away bird species known to be a reservoir for highly
8 pathogenic avian influenza and for repairing or renovating
9 buildings to prevent the intrusion of species that may carry
10 highly pathogenic avian influenza:

11 \$ 100,000

12 (2) The moneys appropriated in subparagraph (1) shall be
13 distributed by the department through the issuance of grants to
14 livestock producers pursuant to all of the following conditions:

15 (a) A livestock producer shall submit an application to the
16 department that shall include all of the following information:

17 (i) The requested grant amount.

18 (ii) The amount the livestock producer has spent or plans to
19 spend on projects under subparagraph (1).

20 (iii) A general description of the project.

21 (iv) Any other information the department deems necessary.

22 (b) The department shall not approve a grant application
23 unless the livestock producer contributes to the project an
24 amount that is at least one dollar for every dollar provided by
25 the grant. At the request of the department, the livestock
26 producer shall provide proof of expenditures for the project.

27 (c) An applicant shall not receive more than \$5,000 in grants
28 issued pursuant to this paragraph.

29 d. For purposes of upgrading information technology resources
30 used by the department:

31 \$ 450,000

32 2. There is appropriated from the Iowa animal disease
33 prevention fund created in section 165.18, as amended by this
34 Act, to Iowa state university of science and technology for the
35 fiscal year beginning July 1, 2025, and ending June 30, 2026, the

1 following amount, or so much thereof as is necessary, to be used
2 for the purposes designated:

3 a. To assist the college of veterinary medicine veterinary
4 diagnostic laboratory in installing and moving equipment into its
5 refurbished facility:

6 \$ 250,000

7 b. (1) For deposit in the livestock disease research fund
8 created in section 267.8:

9 \$ 100,000

10 (2) Moneys appropriated under this paragraph shall be used by
11 Iowa state university of science and technology to support animal
12 disease research in areas of importance to livestock producers.

13 Sec. 25. Section 159.5, subsection 11, paragraph a,
14 subparagraph (5), Code 2025, is amended by striking the
15 subparagraph.

16 Sec. 26. Section 163.3B, subsection 3, Code 2025, is amended
17 to read as follows:

18 3. Moneys in the fund are appropriated to the department and
19 ~~shall be used exclusively to develop, establish, and implement~~
20 for the following purposes:

21 a. Developing, establishing, and implementing a foreign
22 animal disease preparedness and response strategy as described
23 in section 163.3C, and shall not require further special
24 authorization by the general assembly.

25 b. Supporting activities related to animal health and disease
26 response that strengthen the state's overall ability to prevent,
27 prepare for, and respond to emerging or reemerging animal
28 diseases, including but not limited to salaries, support,
29 maintenance, and miscellaneous purposes.

30 Sec. 27. Section 163.10, Code 2025, is amended to read as
31 follows:

32 **163.10 Quarantining or destroying animals.**

33 The department may quarantine or destroy any animal exposed
34 to or afflicted with an infectious or contagious disease.
35 However, cattle exposed to or infected with tuberculosis shall

1 not be destroyed without the owner's consent, unless there
2 are sufficient moneys to reimburse the owner for the cattle,
3 which may be paid as an expense authorized as provided in
4 section 163.15, ~~from moneys in the brucellosis and tuberculosis~~
5 ~~eradication fund created in section 165.18,~~ or from moneys made
6 available by the United States department of agriculture.

7 Sec. 28. Section 164.6, Code 2025, is amended to read as
8 follows:

9 **164.6 Expense of test.**

10 The expense for an inspection and official test of a
11 designated animal other than for bovine animals shall be borne
12 by the owner. If the designated animal is a bovine animal, and
13 the owner agrees to comply with and carry out the provisions
14 of this chapter and the rules adopted by the department under
15 section 164.4, the expense of the inspection and test shall be
16 borne by the United States department of agriculture, or by the
17 department, ~~or by the brucellosis and tuberculosis eradication~~
18 ~~fund~~ or any combination of these sources.

19 Sec. 29. Section 164.21, subsections 2 and 3, Code 2025, are
20 amended to read as follows:

21 2. The owner shall be indemnified ~~to the extent that money~~
22 ~~is available in the brucellosis and tuberculosis eradication fund~~
23 ~~as created in section 165.18 and indemnification is also made~~
24 by the United States department of agriculture. However, if the
25 United States department of agriculture is unable to indemnify
26 the owner, the department may indemnify the owner, if ~~money is~~
27 moneys are available.

28 3. In the case of individual payment, all cattle shall be
29 individually appraised and the amount of indemnity shall be equal
30 to the difference between the slaughter value and the appraisal
31 price, less the amount of indemnity paid by the United States
32 department of agriculture. Bison shall be appraised as if the
33 bison are beef cattle. ~~The total amount of indemnity paid by~~
34 ~~the brucellosis and tuberculosis eradication fund for a grade~~
35 ~~animal or a purebred animal shall not exceed two hundred dollars.~~

1 ~~However, if~~ If purebred cattle are purchased and owned for at
2 least one year before testing and the owner can verify the
3 actual cost, the department may ~~further~~ indemnify the owner.
4 The amount of the indemnification shall not exceed five hundred
5 fifty dollars or the actual cost of the animal when purchased,
6 whichever is less.

7 Sec. 30. Section 165.18, Code 2025, is amended to read as
8 follows:

9 **165.18 ~~Brucellosis and tuberculosis eradication~~ Iowa animal**
10 **disease prevention fund.**

11 ~~1. A brucellosis and tuberculosis eradication fund is created~~
12 ~~in the office of the secretary of agriculture, to be used~~
13 ~~together with state and federal funds available to pay:~~

14 ~~a. The indemnity and other expenses provided in this chapter.~~

15 ~~b. The indemnity as set out in section 164.21 and other~~
16 ~~expenses provided in chapter 164.~~

17 ~~c. The expenses of the inspection and testing program~~
18 ~~provided in chapter 163A, but only to the extent that the moneys~~
19 ~~in the fund are not required for expenses incurred under chapter~~
20 ~~164 or this chapter.~~

21 ~~d. Indemnities as provided in section 159.5, subsection 11,~~
22 ~~but only to the extent that the moneys in the fund are not~~
23 ~~required to pay expenses under chapter 163A, chapter 164, or this~~
24 ~~chapter.~~

25 ~~2. If it appears to the secretary of agriculture that the~~
26 ~~balance in the fund on January 20 is insufficient to carry on the~~
27 ~~work in the state for the following fiscal year, the secretary~~
28 ~~shall notify the board of supervisors of each county to levy an~~
29 ~~amount sufficient to pay the expenses estimated to be incurred~~
30 ~~under subsection 1 for the following fiscal year, subject to a~~
31 ~~maximum levy of thirty-three and three-fourths cents per thousand~~
32 ~~dollars of assessed value of all taxable property in the county.~~

33 ~~3. Not later than December 15 or June 15 of a year in which~~
34 ~~the tax is collected, the county treasurer shall transmit the~~
35 ~~amount of the tax levied and collected to the treasurer of~~

1 ~~state, who shall credit it to the brucellosis and tuberculosis~~
2 ~~eradication fund.~~

3 1. An Iowa animal disease prevention fund is created in
4 the state treasury under the control and management of the
5 department.

6 2. The fund shall include moneys appropriated by the general
7 assembly credited to the fund. The fund may include other
8 moneys available to and obtained or accepted by the department
9 as provided in section 159.6A, including but not limited to the
10 federal government, other public sources, or private sources.

11 3. Moneys in the fund are appropriated to the department to
12 develop, establish, and implement an animal disease prevention
13 strategy.

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

16 b. Notwithstanding section 8.33, moneys in the fund that
17 remain unencumbered or unobligated at the end of a fiscal year
18 shall not revert.

19 Sec. 31. Section 331.512, subsection 1, paragraph e, Code
20 2025, is amended by striking the paragraph.

21 Sec. 32. Section 331.559, subsection 2, Code 2025, is amended
22 by striking the subsection.

23 Sec. 33. TRANSFER OF MONEYS. There is transferred from the
24 brucellosis and tuberculosis eradication fund created pursuant to
25 section 165.18, Code 2025, to the Iowa animal disease prevention
26 fund created pursuant to section 165.18, as amended by this Act,
27 all unencumbered or unobligated moneys remaining on the effective
28 date of this division of this Act.

29 DIVISION IX

30 PROCEEDS FROM SALES OF TIMBER AND REAL PROPERTY — EXPENDITURES
31 FOR STATE PARKS

32 Sec. 34. Section 461A.31A, Code 2025, is amended to read as
33 follows:

34 **461A.31A Sale of timber.**

35 1. If the estimated quantity of timber grown in a state park

1 or a preserve to be sold by the department in a sixty-day period
2 is ten thousand board feet or more or if the estimated value of
3 the timber grown in a state park or a preserve to be sold by
4 the department during the same period of time is five thousand
5 dollars or more, the department shall conduct a public hearing
6 on the proposed sale. Notice of the hearing shall be published
7 as provided in section 331.305. After the public hearing, the
8 department may proceed with the sale of the timber.

9 2. Moneys generated from the sale of timber grown in a state
10 park and sold by the department shall be deposited in the state
11 conservation fund created in section 456A.17 and are appropriated
12 to the department to be used for purposes of that fund at the
13 specific state park from which the moneys were generated.

14 Sec. 35. Section 461A.32, subsection 1, Code 2025, is amended
15 to read as follows:

16 1. The commission may sell or exchange such parts of public
17 lands or structures under the jurisdiction of the commission as
18 in its judgment may be undesirable for conservation purposes,
19 excepting state-owned meandered lands already surveyed and
20 platted at state expense as a conservation plan and project
21 tentatively adopted and now in the process of rehabilitation
22 and development authorized by a special legislative Act. The
23 sale or exchange shall be made upon the terms, conditions,
24 or considerations as the commission may approve, whereupon the
25 secretary of state shall issue a patent therefor in the manner
26 provided by law in other cases. Moneys generated from any
27 such sale from a state park shall be deposited in the state
28 conservation fund created in section 456A.17 and are appropriated
29 to the department to be used for purposes of that fund at the
30 specific state park from which the moneys were generated. The
31 proceeds of any other such sale or exchange shall become a part
32 of the funds moneys to be expended under the provisions of this
33 chapter.

34
35

DIVISION X
MISBRANDING OF DAIRY PRODUCTS

1 Sec. 36. Section 137F.3A, subsection 1, paragraph a,
2 unnumbered paragraph 1, Code 2025, is amended to read as follows:

3 The department may employ additional full-time equivalent
4 positions to enforce the provisions of this chapter and
5 chapters 137A, 137C, 137D, and 137E, and 137H, with the approval
6 of the department of management, if either of the following
7 apply:

8 Sec. 37. Section 137F.3A, subsection 1, paragraph b, Code
9 2025, is amended to read as follows:

10 b. Before approval may be given, the director of the
11 department of management must have determined that the expenses
12 exceed the funds budgeted by the general assembly for food
13 inspections to the department. The department may hire no more
14 than one full-time equivalent position for each six hundred
15 inspections required pursuant to this chapter and chapters 137A,
16 137C, 137D, and 137E, and 137H.

17 Sec. 38. NEW SECTION. **137F.4B Dairy products.**

18 1. A regulatory authority shall not suspend or revoke a
19 license issued to a food processing plant under this chapter for
20 offering for sale or selling a food product that is misbranded as
21 a dairy product in violation of section 137H.4.

22 2. A license issued to a food processing plant under section
23 137F.4 also covers the operation of a food processing plant under
24 chapter 137H.

25 Sec. 39. NEW SECTION. **137H.1 Definitions.**

26 As used in this chapter, unless the context otherwise
27 requires:

28 1. "*Agricultural food animal*" means the same as defined in
29 section 137E.1.

30 2. "*Dairy product*" means a food product derived from milk as
31 defined in this section.

32 3. "*Department*" means the department of inspections, appeals,
33 and licensing.

34 4. "*Fabricated dairy product*" means a food product that has
35 one or more sensory attributes that resemble a dairy product

1 but that, in lieu of being derived from milk, is derived from
2 manufactured plants or other organic materials.

3 5. "Food processing plant" means the same as defined in
4 section 137F.1.

5 6. "Food product" means the same as defined in section
6 137E.1.

7 7. "Identifying dairy term" includes but is not limited to
8 any of the following:

9 a. Any word or phrase that states, indicates, suggests, or
10 describes milk or a dairy product, regardless of whether the
11 word or phrase is used individually, as a portmanteau, or as a
12 compound word.

13 b. A common name for the species of the hooved agricultural
14 food animal, including but not limited to cow, sheep, or goat.

15 c. A common name for a characteristic of a species of a
16 hooved agricultural food animal based on age, breed, or sex.

17 d. A common name that a reasonable purchaser would
18 immediately and exclusively associate with a dairy product
19 prepared for sale in normal commercial channels, including but
20 not limited to butter, cheese, cream, custard, dairy, gelato,
21 ghee, milk, whey, and yogurt.

22 e. A comparable word or phrase as approved by the department.

23 8. "Label" means a display of written, printed, or graphic
24 matter placed upon any container storing a food product that
25 is offered for sale or sold on a wholesale or retail basis,
26 regardless of whether the label is printed on the container's
27 packaging or a sticker affixed to the container.

28 9. "Milk" means a food product that is the lacteal secretion,
29 practically free from colostrum, obtained by the milking of one
30 or more healthy hooved agricultural food animals.

31 10. a. "Qualifying term" means a word, compound word, or
32 phrase that would clearly disclose to a reasonable purchaser of
33 dairy products from a food processing plant that a food product
34 is not a dairy product.

35 b. "Qualifying term" includes but is not limited to almond,

1 cashew, coconut, dairy-free, fake, imitation, hazelnut, hemp,
2 nut, oat, pea, plant, plant-based, quinoa, rice, soy, vegan,
3 vegetable, vegetarian, veggie, or a comparable word or phrase as
4 approved by the department.

5 11. "Regulatory authority" means the same as defined in
6 section 137F.1.

7 Sec. 40. NEW SECTION. **137H.2 Administration.**

8 1. In conducting a routine inspection of the premises of a
9 food processing plant licensed under chapter 137F, a regulatory
10 authority is not required to determine if any food product
11 located on the premises is misbranded as a dairy product as
12 provided in section 137H.3.

13 2. A regulatory authority shall inspect an inventory of
14 food products offered for sale or sold at a food processing
15 plant based on a credible complaint that the food products are
16 misbranded as dairy products as provided in section 137H.3.

17 3. A regulatory authority shall have the same powers to
18 inspect a food processing plant under this chapter as it does
19 under chapter 137F.

20 4. The department shall adopt rules pursuant to chapter 17A
21 that are necessary or desirable to administer and enforce this
22 chapter.

23 Sec. 41. NEW SECTION. **137H.3 Misbranded food product.**

24 A food product is misbranded as a dairy product if all of the
25 following apply:

26 1. a. Except as provided in paragraph "b", the food product
27 is a fabricated dairy product or the food product contains a
28 fabricated dairy product.

29 b. The food product is not misbranded as a dairy product only
30 because it contains a trace amount of one or more plant-protein
31 food products as determined by the department.

32 2. The food product is offered for sale or sold by a food
33 processing plant.

34 3. a. A label that is part of or placed on the package or
35 other container storing the food product includes an identifying

1 dairy term.

2 b. Paragraph "a" does not apply if the label contains a
3 conspicuous and prominent qualifying term in close proximity to
4 an identifying dairy term.

5 Sec. 42. NEW SECTION. **137H.4 Prohibition — sale.**

6 A food processing plant shall not offer for sale or sell a
7 food product that is misbranded as a dairy product as provided in
8 section 137H.3.

9 Sec. 43. NEW SECTION. **137H.5 Enforcement — stop order.**

10 1. If a regulatory authority has reasonable cause to believe
11 that a food processing plant is offering for sale or selling a
12 food product that is misbranded as a dairy product in violation
13 of section 137H.4, the regulatory authority may issue a stop
14 order. Upon being issued the stop order, the food processing
15 plant shall not offer for sale or sell the food product until the
16 regulatory authority determines that the food product is or is
17 not misbranded as a dairy product.

18 2. The regulatory authority may require that the food product
19 be held by the food processing plant and be secured from
20 purchase.

21 3. If a regulatory authority determines that the food product
22 being offered for sale or sold by a food processing plant is
23 misbranded as a dairy product, the regulatory authority may issue
24 an embargo order requiring the food processing plant to dispose
25 of the misbranded dairy product other than by sale to purchasers
26 in this state.

27 4. The department, the attorney general, or the county
28 attorney in the county where the food product is being offered
29 for sale or sold may enforce the stop order or embargo order by
30 petitioning the district court of that county.

31 Sec. 44. NEW SECTION. **137H.6 Violation — misbranding —**
32 **civil penalty.**

33 1. A food processing plant shall not misbrand a food product
34 as a dairy product as provided in section 137H.3 as determined by
35 the department.

1 2. A food processing plant violating subsection 1 is subject
2 to a civil penalty of not more than five hundred dollars, not to
3 exceed ten thousand dollars total for violations arising out of
4 the same transaction or occurrence. Each day that a violation
5 continues constitutes a separate offense.

6 3. The department shall impose the civil penalty provided in
7 subsection 2. A food processing plant may contest the imposition
8 of the civil penalty by initiating a contested case proceeding
9 pursuant to chapter 17A.

10 4. Civil penalties collected under this section shall be
11 deposited in the general fund of the state.

12 EXPLANATION

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

15 This bill relates to and makes appropriations for FY 2025-2026
16 involving state government entities associated with agriculture,
17 food regulation, natural resources, and environmental protection,
18 including the department of agriculture and land stewardship
19 (DALs), department of natural resources (DNR), Iowa state
20 university of science and technology (ISU), and state university
21 of Iowa (UI).

22 DALs. The bill appropriates moneys from the general fund of
23 the state (GF) to DALs for general operations, ISU's midwest
24 grape and wine industry institute, dairy regulation, the local
25 food and farm program, agricultural education, foreign animal
26 disease preparedness and response, the farmers with disabilities
27 program, loess hills development and conservation, southern Iowa
28 development and conservation, grain regulation, the choose Iowa
29 fund, the choose Iowa food purchasing program (codified in the
30 bill), and grain and livestock market reporting. The bill also
31 appropriates moneys to DALs from pari-mutuel wagering winnings
32 for administration and enforcement of horse and dog racing,
33 from the renewable fuel infrastructure fund for motor fuel
34 inspections, and from the Iowa skilled worker and job creation
35 fund for the butchery innovation and revitalization program.

1 DNR. The bill appropriates moneys from the GF to DNR
2 for general operations, floodplain management and dam safety,
3 forestry health management, and state park operations and
4 maintenance. The bill also appropriates moneys to DNR from the
5 state fish and game protection fund for various activities, from
6 the groundwater protection fund for DNR's groundwater protection
7 activities, and from the special snowmobile fund for snowmobile
8 programs.

9 ISU. The bill appropriates moneys from the GF to ISU for the
10 veterinary diagnostic laboratory, management of private forests,
11 and livestock disease research. The bill also appropriates
12 moneys from the Iowa nutrient research fund to ISU for the
13 veterinary diagnostic laboratory.

14 UI. The bill appropriates moneys from the GF to UI for the
15 center for agricultural health and safety and to support a
16 groundwater planning and resource assessment project administered
17 by the Iowa geological survey.

18 ENVIRONMENT FIRST FUND. The bill appropriates moneys from the
19 environment first fund (EFF) to DALs for the conservation reserve
20 enhancement program, watershed protection, the conservation
21 reserve program, soil and water conservation, and the water
22 quality initiative fund; to DNR for state park maintenance and
23 operations, the geographic information system, water quality
24 monitoring, the public water supply system account, regulation of
25 animal feeding operations, floodplain management and dam safety,
26 and ambient air quality; and to UI for Iowa geological survey
27 operations and water resource management.

28 RESOURCES ENHANCEMENT AND PROTECTION. Current law provides
29 for an annual appropriation from the GF to the Iowa resources
30 enhancement and protection (REAP) fund through FY 2025-2026. The
31 bill extends this appropriation through FY 2030-2031. For FY
32 2025-2026, the bill appropriates moneys from the EFF to the REAP
33 fund in lieu of the standing GF appropriation. The bill also
34 allows certain moneys in the open spaces account of the REAP
35 fund to be used by DNR for state park maintenance, development,

1 operations, and facility refurbishment.

2 ANIMAL DISEASE PREPAREDNESS AND RESPONSE. The bill adds to
3 the purposes for which moneys may be appropriated from the
4 foreign animal disease preparedness and response fund to include
5 supporting activities related to animal health and disease
6 response that strengthen the state's overall ability to prevent,
7 prepare for, and respond to emerging or reemerging animal
8 diseases.

9 The bill strikes the current provisions of the brucellosis
10 and tuberculosis eradication fund, renames and repurposes the
11 fund to the Iowa animal disease prevention fund to develop,
12 establish, and implement an animal disease prevention strategy,
13 and transfers all remaining moneys to the amended fund.

14 The bill appropriates moneys from the Iowa animal disease
15 prevention fund to DALs for purchasing and maintaining equipment
16 to further the implementation of the foreign animal disease
17 preparedness and response strategy, assisting in the development
18 of vaccines against foreign animal diseases by a company based
19 in Iowa that develops livestock and other animal vaccines,
20 livestock security grants, and upgrading information technology
21 used by DALs. The bill appropriates moneys from the Iowa animal
22 disease prevention fund to ISU for purposes of assisting the
23 college of veterinary medicine veterinary diagnostic laboratory
24 in installing and moving equipment into its refurbished facility
25 and for animal disease research.

26 PROCEEDS FROM SALES OF TIMBER AND REAL PROPERTY —
27 EXPENDITURES FOR STATE PARKS. The bill directs moneys generated
28 from the sale of timber, real property, and structures in state
29 parks to be deposited in the state conservation fund (SCF). The
30 bill appropriates moneys generated from such sales to DNR to be
31 used for purposes of the SCF at the specific state park from
32 which the moneys were generated.

33 MISBRANDING DAIRY PRODUCTS. The bill prohibits the misbranding
34 of certain food products that are manufactured to resemble
35 dairy products and that are not derived from milk but rather

1 from manufactured plants or other organic materials. The bill
2 does not require a regulatory authority to determine if any
3 food product located on the premises of a food processing
4 plant is misbranded during routine inspections, but does require
5 inspection of misbranding when a credible complaint that a food
6 product is misbranded as a dairy product is received. The bill
7 directs the department of inspections, appeals, and licensing
8 (DIAL) to adopt and administer rules to enforce these provisions.

9 The bill defines "fabricated dairy product" as a food product
10 that has one or more sensory attributes that resemble a dairy
11 product but that, in lieu of being derived from milk, is derived
12 from manufactured plants or other organic materials. The bill
13 explains that a food product is misbranded if the food product
14 is a fabricated dairy product, is offered for sale or sold by a
15 food processing plant, and the label on food packaging includes
16 an identifying dairy term, with certain exceptions.

17 The bill prohibits a food processing plant from offering for
18 sale or selling food that is misbranded as a dairy product.

19 The bill provides that if a regulatory authority has reason
20 to believe a food processing plant is offering for sale or
21 selling a food product that is misbranded as a dairy product,
22 the regulatory authority may issue a stop order, prohibiting
23 the food processing plant from offering for sale or selling the
24 food product until the regulatory authority determines whether
25 the food product is misbranded. If the regulatory authority
26 determines the food product is misbranded, the bill provides
27 the authority to the regulatory authority to issue an embargo,
28 requiring disposal of all misbranded food product. The bill
29 provides that DIAL, the attorney general, or the county attorney
30 for the county in which the food product is offered for sale or
31 sold may enforce any stop order or embargo.

32 A food processing plant that violates the bill is subject to
33 a civil penalty of not more than \$500 for each violation, and
34 not more than \$10,000 total for violations arising out of the
35 same transaction or occurrence. The bill provides that each day

1 constitutes a separate offense. The civil penalties shall be
2 imposed by DIAL and any moneys collected are deposited into the
3 general fund of the state.

4 The bill allows DIAL to hire additional full-time workers
5 subject to approval by the director, with limitations.

6 The bill prohibits a regulatory authority from suspending or
7 revoking a license issued to a food processing plant for offering
8 for sale or selling a food product that is misbranded as a dairy
9 product and explains that a license issued to a food processing
10 plant under Code section 137F.4 also covers the operation of a
11 food processing plant under new Code chapter 137H.

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