

**Senate File 9 - Introduced**

SENATE FILE 9  
BY GREEN

**A BILL FOR**

1 An Act establishing license fees for food processing plants.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

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

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

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

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

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

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

19 EXPLANATION

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

22 BACKGROUND. Code chapter 137F regulates businesses engaged  
23 in commercial food preparation and sale. The regulations are  
24 administered and enforced by the department of inspections,  
25 appeals, and licensing. One such regulated establishment is  
26 a food processing plant (plant) that manufactures, packages,  
27 labels, or stores food for human consumption but does not provide  
28 food directly to a consumer (Code section 137F.1). In 2023,  
29 the general assembly revised the method used to calculate annual  
30 license fees imposed on plants (2023 Iowa Acts, chapter 82). The  
31 fee amount is based on a series of increasing steps calculated  
32 using the plant's gross annual sales during the prior year.  
33 The first step is \$75 for gross sales up to but not including  
34 \$50,000, the second step is \$150 for gross sales of \$50,000 or  
35 more but less than \$200,000, the third step is \$300 for gross

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

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