

Butchery Innovation and Revitalization Bill House File 857

Last Action:

Final Action

May 19, 2021

An Act establishing a butchery innovation and revitalization fund and program to be administered by the economic development authority, in consultation with the department of agriculture and land stewardship, and creating a task force to explore the feasibility of establishing an artisanal butchery program at a community college or at an institution governed by the state board of regents.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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FUNDING SUMMARY

FY 2022: The Bill creates the Butchery Innovation and Revitalization Fund and Program for the purpose of awarding financial assistance to eligible businesses for expanding or refurbishing a small-scale meat processing business, licensed custom locker, or mobile slaughter unit. The Bill does not provide an appropriation for the Program and creates no fiscal impact. Page 1, Line 1

NOTE: [House File 871](#) (Economic Development Appropriations Bill) appropriates \$750,000 from the General Fund for the Program in FY 2022.

FY 2022: The Bill creates the Artisanal Butchery Task Force within the Iowa Department of Agriculture and Land Stewardship (IDALS) for the purpose of exploring the feasibility of establishing an artisanal butchery program at a community college or an institution governed by the State Board of Regents. Page 3, Line 23

STUDIES AND INTENT

Intent

Allows the Iowa Economic Development Authority to use no more than 5.0% of the moneys in the Butchery Innovation and Revitalization Fund at the beginning of each fiscal year for purposes of administrative costs, marketing, technical assistance, and other program support. Page 1, Line 33

Requires the IEDA in consultation with the IDALS to adopt administrative rules to administer the Program. Page 3, Line 19

Nonreversion

Allows any unexpended funds appropriated to the Butchery Innovation and Revitalization Fund to remain available for expenditure until the close of the succeeding fiscal year. Page 1, Line 28

Required Reports

The Artisanal Butchery Task Force is required to submit a report by December 31, 2021, to the General Assembly that includes the Task Force's findings and recommendations. Page 4, Line 22

House File 857 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	New	15E.370

1 1 Section 1.NEW SECTION 15E.370 BUTCHERY INNOVATION AND
1 2 REVITALIZATION FUND AND PROGRAM.

1 3 1. As used in this section unless the context otherwise
1 4 requires:

1 5 a. "Department" means the department of agriculture and land
1 6 stewardship.

1 7 b. "Financial assistance" means assistance provided only
1 8 from the funds and assets legally available to the authority
1 9 pursuant to this section and includes assistance in the form of
1 10 grants, low-interest loans, and forgivable loans.

1 11 c. "Fund" means the butchery innovation and revitalization
1 12 fund.

1 13 d. "Located in" means the place or places at which
1 14 a business's operations are located and where at least
1 15 ninety-eight percent of the business's employees work, or where
1 16 employees that are paid at least ninety-eight percent of the
1 17 business's payroll work.

1 18 e. "Program" means the butchery innovation and
1 19 revitalization program.

1 20 2. a. The fund is created in the state treasury under
1 21 the control of the authority and consists of any moneys
1 22 appropriated to the fund by the general assembly and any other
1 23 moneys available and obtained or accepted by the authority
1 24 for placement in the fund. The fund shall be used to award
1 25 financial assistance as provided under the program. The
1 26 authority shall use any moneys specifically appropriated for
1 27 purposes of this section only for the purposes of the program.

1 28 b. Notwithstanding section 8.33, moneys in the fund
1 29 that remain unencumbered or unobligated at the close of the
1 30 fiscal year shall not revert but shall remain available for
1 31 expenditure for the purposes designated until the close of the
1 32 succeeding fiscal year.

1 33 c. The authority may use not more than five percent of
1 34 the moneys in the fund at the beginning of each fiscal year
1 35 for purposes of administrative costs, marketing, technical
2 1 assistance, and other program support.

CODE: Establishes definitions for the Butchery Innovation and Revitalization Fund and Program.

DETAIL: Specifies definitions for the Program to include Iowa Department of Agriculture and Land Stewardship (IDALS), financial assistance from the Butchery Innovation and Revitalization Fund, the location of business operations of potential grantees, and the Program.

CODE: Establishes the Butchery Innovation and Revitalization Fund within the Iowa Economic Development Authority (IEDA) consisting of any moneys appropriated to the Fund by the General Assembly and any other moneys available and obtained or accepted by the IEDA.

NOTE: [House File 871](#) (Economic Development Appropriations Bill) appropriates \$750,000 from the General Fund for the Program in FY 2022.

CODE: Allows any unexpended funds appropriated to the Butchery Innovation and Revitalization Fund to remain available for expenditure until the close of the succeeding fiscal year.

CODE: Allows the Iowa Economic Development Authority to use no more than 5.00% of the moneys in the Butchery Innovation and Revitalization Fund at the beginning of each fiscal year for purposes of administrative costs, marketing, technical assistance, and other program support.

2 2 3. The authority, in consultation with the department,
 2 3 shall establish and administer the program for the purpose of
 2 4 awarding financial assistance to eligible businesses for the
 2 5 following projects:
 2 6 a. To expand or refurbish an existing, or to establish a
 2 7 new, state-inspected small-scale meat processing business.
 2 8 b. To expand or refurbish an existing, or to establish a
 2 9 new, federally inspected small-scale meat processing business.
 2 10 c. To expand or refurbish an existing, or to establish a
 2 11 new, licensed custom locker.
 2 12 d. To expand or refurbish an existing, or to establish a
 2 13 new, mobile slaughter unit that operates in compliance with
 2 14 the most current mobile slaughter unit compliance guide issued
 2 15 by the United States department of agriculture food safety and
 2 16 inspection service.
 2 17 e. To rent buildings, refrigeration facilities, freezer
 2 18 facilities, or equipment necessary to expand processing
 2 19 capacity, including mobile slaughter or refrigeration units
 2 20 used exclusively for meat or poultry processing.

CODE: Directs the IEDA in consultation with the IDALS to establish and administer the Program for the purpose of awarding financial assistance to eligible businesses to expand or refurbish small-scale meat processing businesses, licensed custom lockers, a mobile slaughter house, or to expand processing capacity.

2 21 4. The authority, in consultation with the department,
 2 22 shall establish eligibility criteria for the program by rule.
 2 23 The eligibility criteria must include all of the following:
 2 24 a. The business must be located in this state.
 2 25 b. The business must not have been subject to any regulatory
 2 26 enforcement action related to federal, state, or local
 2 27 environmental, worker safety, food processing, or food safety
 2 28 laws, rules, or regulations within the last five years.
 2 29 c. The business must only employ individuals legally
 2 30 authorized to work in the state.
 2 31 d. The business must not currently be in bankruptcy.
 2 32 e. The business must employ less than fifty individuals.

CODE: Requires the IEDA in consultation with IDALS to establish eligibility criteria for businesses accessing the program by rule, to include the following:

- The business must be located in the State.
- The business must not have been subject to any regulatory enforcement action within the last five years.
- The business must employ only individuals legally authorized to work in the State.
- The business must not currently be in bankruptcy.
- The business must employ fewer than 50 individuals.

2 33 5. A business seeking financial assistance under this
 2 34 section shall make application to the authority in the manner
 2 35 prescribed by the authority by rule.

CODE: Specifies that a business applying for Program funding shall apply to the IEDA based on Authority rulemaking.

3 1 6. Applications shall be accepted during one or more
 3 2 annual application periods to be determined by the authority
 3 3 by rule. Upon reviewing and scoring all applications that are
 3 4 received during an application period, and subject to funding,

CODE: Requires the IEDA to accept applications during one or more annual periods established by the Authority, and shall award financial assistance to businesses whose proposed project will do the following:

<p>3 5 the authority may, in consultation with the department, award 3 6 financial assistance to eligible businesses. A financial 3 7 assistance award shall not exceed the amount of eligible 3 8 project costs included in the eligible business's application. 3 9 Priority shall be given to eligible businesses whose proposed 3 10 project under subsection 3 will do any of the following: 3 11 a. Create new jobs. 3 12 b. Create or expand opportunities for local small-scale 3 13 farmers to market processed meat under private labels. 3 14 c. Provide greater flexibility or convenience for local 3 15 small-scale farmers to have animals processed.</p> <p>3 16 7. A business that is awarded financial assistance under 3 17 this section may apply for financial assistance under other 3 18 programs administered by the authority.</p> <p>3 19 8. The authority shall, in consultation with the 3 20 department, adopt rules pursuant to chapter 17A to administer 3 21 this section.</p> <p>3 22 Sec. 2. TASK FORCE — ARTISANAL BUTCHERY PROGRAM.</p> <p>3 23 1. The artisanal butchery program task force is created 3 24 within the department of agriculture and land stewardship for 3 25 the purpose of exploring the feasibility of establishing an 3 26 artisanal butchery program at a community college or at an 3 27 institution governed by the state board of regents.</p> <p>3 28 2. Members of the task force shall be appointed by the 3 29 secretary of agriculture and must include one representative 3 30 of the department of agriculture and land stewardship and at 3 31 least one representative of each of the following groups or 3 32 organizations: 3 33 a. The Iowa association of community college trustees. 3 34 b. The Iowa culinary institute. 3 35 c. The economic development authority. 4 1 d. Meat science staff at the extension service at Iowa state 4 2 university of science and technology. 4 3 e. The Iowa meat processors association. 4 4 f. A swine producer selected by the Iowa pork producers 4 5 association. 4 6 g. A cattle producer selected by the Iowa cattlemen's</p>	<ul style="list-style-type: none"> • Create new jobs. • Create or expand opportunities for local small-scale farmers to market processed meat under private labels. • Provide greater flexibility or convenience for local small-scale farmers to have animals processed. <p>CODE: Allows recipients of Program funding to apply for financial assistance under other programs administered by the IEDA.</p> <p>CODE: Requires the IEDA in consultation with IDALS to adopt administrative rules to administer the Program.</p> <p>CODE: Creates the Artisanal Butchery Program Task Force within the IEDA to explore the feasibility of establishing a Program at a community college or an institution governed by the State Board of Regents.</p> <p>CODE: Identifies members of the Task Force appointed by the Secretary of Agriculture, including at least one representative from:</p> <ul style="list-style-type: none"> • The IDALS • The Iowa Association of Community College trustees • The Iowa Culinary Institute • The IEDA • Meat science staff at the extension service at Iowa State University of Science and Technology • The Iowa Meat Processors Association • A swine producer selected by the Iowa Pork Producers Association • A cattle producer selected by the Iowa Cattlemen's Association • Owners or operators of licensed custom lockers in the State • Owners or operators of state-inspected small-scale meat
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4 7 association.	processing facilities located in the State
4 8 h. Owners or operators of licensed custom lockers located	• The Iowa Conservation Alliance
4 9 in the state.	
4 10 i. Owners or operators of state-inspected small-scale meat	
4 11 processing facilities located in the state.	
4 12 j. Owners or operators of federally inspected small-scale	
4 13 meat processing facilities located in the state.	
4 14 k. The Iowa conservation alliance.	
4 15 3. The department of agriculture and land stewardship shall	CODE: Requires the IDALS to provide administrative and staff support
4 16 provide the task force with staff and administrative support.	to the Task Force.
4 17 4. The task force shall consider staffing and equipment	CODE: Specifies metrics and qualifications that the Task Force shall
4 18 requirements, potential enrollment numbers, overall employment	consider when awarding Program funds.
4 19 outlook for graduates, apprenticeship and internship	
4 20 opportunities, program costs, curriculum, and regulatory and	
4 21 legal requirements.	
4 22 5. The task force shall submit a report by December 31,	CODE: The Task Force is required to submit a report by December
4 23 2021, to the general assembly that includes the task force's	31, 2021, to the General Assembly that includes the Task Force's
4 24 findings and recommendations.	findings and recommendations.