

House File 2682 - Introduced

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BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2444)

A BILL FOR

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

1 Section 1. Section 137F.1, subsection 10, Code 2024, is
2 amended to read as follows:

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

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

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

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

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

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

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

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

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

29 Sec. 2. Section 137F.6, subsection 1, paragraph g, Code
30 2024, is amended by striking the paragraph and inserting in
31 lieu thereof the following:

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

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

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

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

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

13 EXPLANATION

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

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

1 BILL'S PROVISIONS — EXPANDED DESCRIPTION OF FOOD PROCESSING
2 PLANTS. This bill provides that a plant includes an operation
3 located on the premises of a farm or private residence that
4 stores officially processed packaged meat or poultry raised
5 by the licensee and offered for sale on either a wholesale or
6 retail basis.

7 BILL'S PROVISIONS — LICENSE FEES. The bill also revises
8 the license fee schedule for plants. It distinguishes between
9 two categories of plants: the first is a general category
10 and the second is a category of plant where meat is processed
11 on the premises of a farm or private residence. Under the
12 general category, the fee amount is based on a series of three
13 increasing steps calculated again using the plant's gross
14 annual sales. For a plant with annual gross sales of less
15 than \$200,000, the fee amount is \$150; for a plant with annual
16 gross sales of at least \$200,000 but less than \$2 million, the
17 fee amount is \$300; and for a plant with annual gross sales of
18 \$2 million or more, the fee amount is \$500. Under the second
19 category, the fee amount is a flat \$75.