HOUSE FILE _____ BY STAED

A BILL FOR

- 1 An Act providing for the regulation of confinement feeding
- 2 operations, and making penalties applicable and including
- 3 effective date provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 459.102, subsection 15, Code 2022, is
2 amended to read as follows:

3 15. *"Confinement feeding operation"* means an animal feeding 4 operation in which animals are confined to areas which are 5 totally or partially roofed.

6 Sec. 2. Section 459.102, Code 2022, is amended by adding the 7 following new subsections:

8 <u>NEW SUBSECTION</u>. 16A. *"Confinement feeding operation* 9 *integrator"* or *"integrator"* means a person who does all of the 10 following:

11 a. Acts alone, or in conjunction with others, to directly 12 or indirectly control the manufacturing, processing, or 13 preparation for sale of meat products under the federal Meat 14 Inspection Act or poultry products under the federal Poultry 15 Products Inspection Act as those terms are defined in section 16 189A.2.

17 b. Owns animals that are maintained at a confinement feeding 18 operation that is not owned by the person.

19 <u>NEW SUBSECTION</u>. 18A. "Contract producer" means a person who 20 owns a confinement feeding operation, if animals maintained at 21 the confinement feeding operation are owned by another person. 22 Sec. 3. NEW SECTION. 459.104 Prohibition on construction

23 and expansion of confinement feeding operation structures.

Notwithstanding section 459.303, or any other provision
 of law to the contrary, a person shall not construct or expand
 a confinement feeding operation structure.

27 2. Subsection 1 does not apply to a small animal feeding28 operation.

3. This section shall not prohibit a person from completing construction, including expansion, of a confinement feeding l operation structure, if prior to the effective date of this Act, the person began such construction as otherwise allowed under this chapter.

34 4. This section is repealed July 1, 2027.

35 Sec. 4. Section 459.301, Code 2022, is amended by adding the

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1 following new subsections:

NEW SUBSECTION. 1A. A confinement feeding operation integrator shall be deemed to be a joint owner of a confinement feeding operation together with the titleholder of the land where the confinement feeding operation is located, if all of the following apply:

7 *a.* The integrator owns animals that are maintained at the 8 confinement feeding operation.

9 b. The integrator enters into a production contract with 10 a contact producer for the maintenance of the animals at a 11 confinement feeding operation owned by the contract producer. 12 A production contract is entered into when it is signed or 13 orally agreed to by each party or by a person who is authorized 14 by a party to act on the party's behalf.

15 c. The confinement feeding operation where the animals are 16 maintained has an animal unit capacity of one thousand or more 17 animal units.

18 d. (1) The integrator exercises substantial operational 19 control over the confinement feeding operation where the 20 animals are maintained.

(2) The department shall determine whether an integrator 22 exercises substantial operational control based on criteria 23 established by rules adopted by the department, including but 24 not limited to the extent that any of the following apply: 25 (a) The integrator holds a legal interest as a creditor in

26 a confinement feeding operation structure that is part of the 27 confinement feeding operation.

(b) The integrator provides on-site supervision of theconfinement feeding operation.

30 (c) The integrator provides the contract producer direction 31 regarding any of the following:

32 (i) How the animals are maintained, including providing for
33 the care and feeding of the animals or the administration of
34 vaccines or medicine to the animals.

35 (ii) When, how, or under what circumstances the animals are

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1 to be moved from the confinement feeding operation.

2 (iii) The storage or application of manure originating from3 the confinement feeding operation.

<u>NEW SUBSECTION</u>. 1B. *a.* A confinement feeding operation
integrator may act directly or indirectly to own animals
maintained at a confinement feeding operation, or exercise
substantial operational control over the confinement feeding
operation.

9 b. An integrator acts indirectly by acting or attempting 10 to accomplish an act through an interest in a business 11 association, through one or more affiliates or intermediaries, 12 or by any method other than a direct approach, including by any 13 circuitous or oblique method.

14 Sec. 5. Section 459.303, Code 2022, is amended by adding the 15 following new subsection:

NEW SUBSECTION. 1A. The application shall include information regarding any person who owns animals maintained at the confinement feeding operation. If the confinement feeding operation is deemed to be jointly owned by a contract producer and confinement feeding operation integrator under section 459.301, the application must be submitted jointly by the contract producer and the integrator.

23 Sec. 6. Section 459.311, subsection 2, Code 2022, is amended 24 to read as follows:

25 2. Notwithstanding subsection 1, The owner of a confinement 26 feeding operation that is a concentrated animal feeding 27 operation as defined in 40 C.F.R. §122.23(b) shall comply with 28 applicable national pollutant discharge elimination system 29 permit requirements as provided in the federal Water Pollution 30 Control Act, 33 U.S.C. ch. 26, as amended, and 40 C.F.R. pts. 31 122 and 412, pursuant to rules that shall be adopted by the 32 commission. Any rules adopted pursuant to this subsection 33 shall be no more stringent than requirements under the federal 34 Water Pollution Control Act, 33 U.S.C. ch. 26, as amended, and 35 40 C.F.R. pts. 122 and 412.

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1 Sec. 7. Section 459.312, Code 2022, is amended by adding the 2 following new subsection:

3 <u>NEW SUBSECTION</u>. 1A. The manure management plan shall state 4 information regarding any person who owns animals maintained at 5 the confinement feeding operation. If the confinement feeding 6 operation is deemed to be jointly owned by a contract producer 7 and confinement feeding operation integrator under section 8 459.301, the manure management plan must be submitted jointly 9 by the contract producer and the integrator. The production 10 contract for the confinement feeding operation shall be part 11 of the manure management plan.

12 Sec. 8. EFFECTIVE DATE. This Act, being deemed of immediate 13 importance, takes effect upon enactment.

EXPLANATION

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15 The inclusion of this explanation does not constitute agreement with 16 the explanation's substance by the members of the general assembly.

17 GENERAL. This bill amends Code chapter 459 (the animal 18 agriculture compliance Act) (Code section 459.101) which 19 authorizes the department of natural resources (DNR) to 20 regulate confinement feeding operations. Specifically, the 21 bill amends Code chapter 459, subchapter III, providing for 22 water quality.

PARTIALLY ROOFED BUILDINGS INCLUDED. The bill revises the definition of a confinement feeding operation to include a building that is partially roofed (amended Code section 459.102(15)).

27 MORATORIUM ON CONSTRUCTION. The bill prohibits the 28 construction, including expansion, of a confinement feeding 29 operation structure. Such a structure includes a confinement 30 building, a manure storage structure, or an egg washwater 31 structure (new Code section 459.104). An exception allows 32 construction if the new structure is part of a small animal 33 feeding operation (500 or fewer animal units). The bill does 34 not prohibit a person from completing construction if the 35 person had begun construction prior to the effective date of

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1 the bill. The moratorium expires on July 1, 2027.

2 NPDES PERMITS. The bill amends a provision that requires 3 a confinement feeding operation to comply with applicable 4 national pollutant discharge elimination system (NPDES) permit 5 requirements under the federal Water Pollution Control Act, 6 by providing that any rules adopted by DNR are to be more 7 stringent than requirements under the Act.

8 CONFINEMENT FEEDING OPERATION INTEGRATION. The bill 9 provides for an arrangement involving a confinement feeding 10 operation integrator (integrator) and contract producer. An 11 integrator is a meat or poultry processor that owns animals 12 maintained by another person at a confinement feeding 13 operation. The contract producer is a person who owns a 14 confinement feeding operation where animals owned by another 15 person are maintained (amended Code section 459.102). An 16 integrator is deemed to be a joint owner of a confinement 17 feeding operation under certain conditions: (1) the integrator 18 owns animals that are maintained at the confinement feeding 19 operation, (2) the integrator enters into a production contract 20 with a contract producer for the maintenance of the animals at 21 a confinement feeding operation, (3) the confinement feeding 22 operation has an animal unit capacity of 1,000 or more animal 23 units, and (4) the integrator exercises substantial operational 24 control over the confinement feeding operation (amended Code 25 section 459.301). A construction permit application (amended 26 Code section 459.303) and a manure management plan (amended 27 Code section 459.313) required to be filed with the DNR 28 must include information regarding the ownership of animals 29 maintained at the confinement feeding operation.

30 BACKGROUND — ANIMAL UNIT CAPACITY. An animal unit capacity 31 refers to the maximum number of animal units that may be 32 maintained in all confinement feeding operation structures 33 associated with a confinement feeding operation at any one time 34 (Code sections 459.102 and 459.301). In calculating animal 35 unit capacity, each of various types of animals is assigned a

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1 special equivalency factor which is multiplied by the number 2 of head of animals subject to confinement. For example, each 3 butcher or breeding swine weighing more than 55 pounds has an 4 equivalency factor of 0.4 animal units (Code section 459.102). 5 BACKGROUND — ENFORCEMENT AND APPLICABLE CIVIL PENALTIES. 6 Compliance with a statutory regulation under the Code chapter 7 includes compliance with a rule adopted by DNR (Code section 8 459.103). A person violating a water quality regulation is 9 subject to the administrative assessment of a civil penalty 10 or a judicially assessed civil penalty of up to \$5,000 (Code 11 sections 455B.109, 455B.191, and 459.603).

12 EFFECTIVE DATE. The bill takes effect upon enactment.

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