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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1236 Session of  
2022

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INTRODUCED BY VOGEL, SCHWANK, DUSH, GORDNER, MENSCH AND STEFANO,  
MAY 18, 2022

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REFERRED TO AGRICULTURE AND RURAL AFFAIRS, MAY 18, 2022

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AN ACT

1 Amending Title 3 (Agriculture) of the Pennsylvania Consolidated  
2 Statutes, providing for extensive amendments to the very  
3 small meat processor Federal inspection reimbursement grant  
4 program.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Chapter 101 heading and sections 10101, 10102,  
8 10103, 10104, 10105 and 10106 of Title 3 of the Pennsylvania  
9 Consolidated Statutes are amended to read:

10 CHAPTER 101

11 VERY SMALL MEAT AND POULTRY PROCESSOR [FEDERAL INSPECTION]

12 REIMBURSEMENT GRANT PROGRAM

13 § 10101. Short title of chapter.

14 This chapter shall be known and may be cited as the Very  
15 Small Meat and Poultry Processor [Federal Inspection]  
16 Reimbursement Grant Program.

17 § 10102. Legislative intent.

18 It is the intent of the General Assembly [that very small  
19 meat processors be offered] to support the development and

1 expansion of current or future very small meat and poultry  
2 processing operations in this Commonwealth by offering  
3 reimbursement grants to cover the costs associated with [meeting  
4 Federal inspection and certification guidelines during the  
5 planning and start-up periods for these operations.]:

6 (1) A grant of inspection from the USDA Food Safety and  
7 Inspection Service.

8 (2) Opening a new very small meat and poultry processing  
9 operation.

10 (3) Expanding the capacity of a current very small meat  
11 and poultry processing operation.

12 (4) A combination of paragraphs (1), (2) and (3).

13 § 10103. Definitions.

14 The following words and phrases when used in this chapter  
15 shall have the meanings given to them in this section unless the  
16 context clearly indicates otherwise:

17 "Applicant." A person applying for a reimbursement grant  
18 under section 10104 (relating to grant program).

19 "Grant cycle." The period of time from when the department  
20 solicits applications for grants under section 10104 to when  
21 applicants spend grant funds awarded. This period shall be no  
22 more than two fiscal years.

23 "Grant of inspection." An inspection by the USDA certifying  
24 that products at a very small meat and poultry processing  
25 operation are produced in accordance with Federal law.

26 "Person." An individual, partnership, association, firm,  
27 corporation or any other legal entity.

28 "USDA." The United States Department of Agriculture.

29 ["Very small meat processor." A person subject to Federal  
30 meat inspection that meets the United States Department of

1 Agriculture's definition of a "very small processor," having  
2 fewer than 10 employees or annual sales of less than  
3 \$2,500,000.]

4 "Very small meat and poultry processing operation." A person  
5 operating under a grant of inspection that meets the definition  
6 of "very small establishment" as described in 9 CFR 381.65(g) (1)  
7 (i) (relating to operations and procedures, generally).

8 § 10104. Grant program.

9 (a) Availability.--Grants under this chapter shall only be  
10 offered [in a fiscal year in which and] to the extent that  
11 funding is made available to the department. The following shall  
12 apply:

13 (1) In the event funding is exhausted or otherwise  
14 unavailable, the department shall be under no obligation to  
15 provide grants under this chapter.

16 (2) Grant money may be prorated or offered as a  
17 percentage of actual costs, as determined by the department  
18 and set forth in an order by the secretary, to spread  
19 available money to a larger number of eligible applicants.  
20 The secretary shall transmit notice of an order issued under  
21 this chapter to the Legislative Reference Bureau for  
22 publication in the Pennsylvania Bulletin.

23 (b) Reimbursement grants.--A grant under this chapter shall  
24 be a reimbursement grant. The following shall apply:

25 (1) The amount of reimbursement shall be based on actual  
26 eligible costs submitted by an approved applicant [during a  
27 fiscal year in which grants are offered] within the grant  
28 cycle.

29 (2) Grant reimbursement money shall only be available  
30 for the eligible costs [of obtaining a Federal certification

1 to allow the sale of meat by a very small meat processor.

2 (c) Eligibility.--A very small meat processor may apply to  
3 receive reimbursement for the cost of meeting Federal inspection  
4 guidelines during the planning and start-up periods for the  
5 operations. The applicant must be in compliance with all  
6 applicable Federal licensure, recordkeeping and slaughter  
7 requirements.] associated with:

8 (i) Meeting the requirements to obtain a grant of  
9 inspection.

10 (ii) Opening a new very small meat and poultry  
11 processing operation.

12 (iii) Expanding the capacity of a current very small  
13 meat and poultry processing operation.

14 (iv) A combination of subparagraphs (i), (ii) and  
15 (iii).

16 (c.1) Eligibility.--An applicant may apply to receive  
17 reimbursement for eligible costs under section 10105 (relating  
18 to eligible costs) if the applicant is a very small meat and  
19 poultry processing operation and is either:

20 (1) currently operating under USDA Federal inspection;  
21 or

22 (2) upon completion of the approved project, the  
23 applicant will obtain a grant of inspection.

24 (c.2) Attestation.--

25 (1) An applicant shall attest to the eligibility  
26 requirements under subsection (c.1).

27 (2) The attestation shall be made under penalty of law  
28 and subject to 18 Pa.C.S. Ch. 49 (relating to falsification  
29 and intimidation).

30 (3) If a statement or material fact on the application

1 is found to be false, grant money received by the applicant  
2 shall be returned to the department within 30 days of  
3 notification of the finding.

4 (d) Application procedure.--An applicant who desires to  
5 receive a [very small meat processor Federal inspection]  
6 reimbursement grant under this section shall submit a grant  
7 application on a form provided by the department. The  
8 application shall contain the following information  
9 demonstrating and attesting to:

10 (1) The applicant's name, the organization name, a  
11 business address and a telephone number.

12 (2) A list of corporate officers.

13 (3) The applicant's eligibility[, setting forth  
14 information evidencing and attesting that the applicant meets  
15 the definition of a "very small meat processor."] under  
16 subsection (c.1).

17 (4) A detailed plan [outlining], including the process  
18 being undertaken to [apply for and obtain Federal  
19 certification as a meat processor.

20 (5) The estimated] meet the requirements necessary to  
21 obtain a grant of inspection from the USDA Food Safety and  
22 Inspection Service as a very small meat and poultry  
23 processing operation. The plan shall outline the overall  
24 project and materials being requested, including a line item  
25 proposed budget, individual tasks required to complete the  
26 project, a detailed timeline for completion of project tasks  
27 and, if applicable, detailed descriptions of equipment or  
28 supplies required to complete the project, training,  
29 consulting, technical support and other services utilized.

30 (5) A detailed list of costs, including training and

1 equipment costs, for which reimbursement is sought.

2 (6) An attestation signed by the applicant and subject  
3 to 18 Pa.C.S. Ch. 49 stating the applicant is in [good  
4 standing with all Federal licensure, recordkeeping and  
5 slaughter requirements, including the Federal Hazard Analysis  
6 Critical Control Point standards.] compliance, or will be in  
7 compliance after the approved project, with the Federal Meat  
8 Inspection Act (Public Law 59-382, 21 U.S.C. § 601 et seq.)  
9 or the Poultry Products Inspection Act (Public Law 85-172, 21  
10 U.S.C. § 451 et seq.) to maintain a grant of inspection.

11 (e) Evaluation of application.--The department shall  
12 evaluate an application on the basis of:

13 (1) The ability of the applicant to complete the stated  
14 project within the stated timeline.

15 (2) The ability of the applicant to provide a detailed  
16 description of the project and project costs as required by  
17 subsection (d).

18 (3) The potential of the project to provide slaughter or  
19 meat or poultry processing capacity and services to this  
20 Commonwealth's livestock and poultry producers.

21 (4) The potential of the project to provide availability  
22 of Pennsylvania-produced meat or poultry products to  
23 consumers.

24 § 10105. Eligible costs.

25 The following costs, incurred during the term of the grant  
26 cycle in which the grant is awarded, shall be eligible for  
27 reimbursement:

28 [(1) Invoiced costs directly incurred for the initial  
29 compliance inspection.]

30 (1.1) Consulting or other technical support services

1 that directly support the development and maintenance of  
2 programs required to operate under USDA Federal Inspection.

3 (2) [A one-time reimbursement for the cost, not  
4 including man hours, directly incurred in producing the  
5 required Federal Hazard Analysis Critical Control Point  
6 plan.] Professional employee training and educational  
7 services and programs that support the development and  
8 maintenance of programs to operate under USDA Federal  
9 Inspection. If a professional consultant is utilized [to  
10 develop the Federal Hazard Analysis Critical Control Point  
11 plan], reasonable costs may be reimbursed, as determined by  
12 the department.

13 (3) Up to [50%] 85% of the actual costs of [a first-  
14 time] the purchase of meat or poultry slaughter or processing  
15 equipment [necessary for compliance with the Federal Hazard  
16 Analysis Critical Control Point plan.] or supplies. This  
17 paragraph does not include reimbursement of the cost of  
18 planning, erection, repair or modification of a structure or  
19 building or repair or installation of roofing or other  
20 physical structure improvement.

21 (4) The purchase of equipment or supplies directly  
22 related to employee safety.

23 § 10106. Final reimbursement.

24 (a) Required submission.--Reimbursement shall be based on  
25 the approved applicant's timely completion of the project and  
26 submission of the final costs [of obtaining the required Federal  
27 certification for which grant money was sought] related to  
28 expenses and materials in the applicant's approved grant  
29 project. The submission shall include:

30 [(1) The date of the inspection.]

1 (2) The name of the Federal inspector or veterinarian in  
2 charge of the inspection.

3 (3) A document signed by the Federal inspector or  
4 veterinarian in charge evidencing that the approved  
5 applicant's establishment passed the inspection.]

6 (4) Documentation of actual [costs for which  
7 reimbursement is sought and payment of the costs.]  
8 expenditures for eligible costs approved in the grant  
9 application and invoices evidencing payment of the costs. The  
10 documentation may include invoices for hours of training or  
11 consultation.

12 (5) Documentation of the completion of the approved  
13 project. The documentation may include pictures and dates of  
14 training and equipment installation.

15 (6) Documentation demonstrating the very small meat and  
16 poultry processing operation is operating under a grant of  
17 inspection.

18 (7) A written report related to:

19 (i) The completed project.

20 (ii) The expansion of meat or poultry processing  
21 capability.

22 (iii) Expanded services to this Commonwealth's  
23 livestock and poultry producers.

24 (iv) An increase to the availability of this  
25 Commonwealth's meat or poultry products to consumers.

26 (b) Distribution of final reimbursement.--Distribution of  
27 grant money to the approved applicant will occur upon the  
28 following:

29 (1) Submission and receipt of the information required  
30 under subsection (a).



1           (2) Final review and approval for completeness of the  
2 required submission and the eligible costs.

3           (3) A completed grant agreement between the department  
4 and an approved applicant.

5           (c) Assignment of grant money.--Grant money may only be  
6 distributed to the owner of the eligible establishment. The  
7 department may not assign grant money to a lessee, operator or  
8 person other than the owner of the eligible very small meat  
9 [processing establishment] and poultry processing operation.

10          Section 2. This act shall take effect immediately.