



House Bill 5209

Sponsor: Representative John Gernaat

House Committee: Agriculture and Forestry

Senate Committee: Agriculture and Forestry

Date Completed: 12-5-95

**SUMMARY OF HOUSE BILL 5209 as passed by the House:**

**The bill would amend the Fluid Milk Act to do the following:**

- **Replace citations to Federal standards for pasteurized milk.**
- **Require milk plants to submit a current certified financial statement in order to obtain a renewal license, pending a State audit of the statement.**
- **Extend the period during which a person may participate in a quality assurance program in order to receive a reduction in a fine for drug residue in milk.**
- **Repeal a section prescribing package sizes for milk and milk products.**

Currently, the Act adopts the provisions of the "1989 edition of the grade A pasteurized milk ordinance and administrative procedures and appendices, and the provisions of the 1989 grade A condensed and dry milk products and condensed and dry whey ordinance and administrative procedures and appendices from the 1989 recommendations as set forth in the public health service/United States food and drugs administration publication number 229". The bill, instead, would adopt the provisions of the "grade A pasteurized milk ordinance-1993 recommendations of the United States public health service/food and drug administration, with administrative procedures and appendixes, set forth in the public health service/food and drug administration publication no. 229, and the provisions of the 1995 grade A condensed and dry milk products and condensed and dry whey -- supplement I to the grade A pasteurized milk ordinance, 1995 recommendations".

The bill also would refer to 1993 recommendations, rather than 1989 standards, in provisions concerning the addition of vitamin A to lowfat milk and skim milk, and violations of the Act for selling milk that tests positive for drug residues.

Currently, the Act requires licensure and the payment of fees; requires that a license be renewed annually and that an application for renewal be made 10 days before a license expires; and provides that the anniversary of a license for renewal purposes is 130 days after the close of the licensee's fiscal year. The bill would retain these provisions but specifies that a person could not produce, transport, process, label, or sell grade A milk and grade A milk products unless licensed under the Act. The bill also specifies that the anniversary date for renewal purposes as described above, would be determined by the records of the Michigan Department of Agriculture (MDA).

Under the bill, the Department could issue a renewal license for a milk plant providing a current certified financial statement pending the MDA's audit of that statement. If the financial statement

did not meet producer security requirements, however, the MDA could summarily revoke the license without refunding the license fee. The bill also would delete the Department's authority to issue a temporary license.

The Act requires the MDA Director to impose various sanctions and civil fines upon a producer who violates the Act by selling or offering for sale milk that had been found positive for drug residues. In the case of a first positive test within a 12-month period, these penalties include a \$300 fine to be paid to the Department. If the producer has participated in a milk and dairy beef quality assurance program within the 12 months immediately preceding the date of the violative sample, \$200 of the fine will be suspended. Under the bill, \$200 would be suspended if the producer "voluntarily" participated in the program within the 36 months immediately preceding the date of the sample.

Section 6 of the Act requires all fluid milk and milk products to be packaged for retail sale only in specified units ranging from one gill (four fluid ounces) to two and one-half gallons, or multiples of one gallon. Packages in units under one gill must be permitted. Each container must be plainly marked as to its capacity and must deliver the amount marked on the container. The bill would repeal Section 6.

MCL 288.21 et al.

Legislative Analyst: S. Margules

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: A. Rich

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.