

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4820 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Representative Tom Meyer
House Committee: Agriculture and Resource Management
Senate Committee: Farming, Agribusiness and Food Systems

CONTENT

The bill would replace the Fluid Milk Act and related regulations with the "Grade A Milk Law of 2001", and would adopt the 2001 Federal Pasteurized Milk Ordinance (PMO). Proposed changes to current law include:

- Specific requirements for the handling of milk from cows tested positive for tuberculosis (TB).
- Additional licensing or permit requirements for manufacturers and transporters.
- Adjusted license and permit fees.
- Additional education, penalties, and follow-up requirements to restrict drug residue found in milk.
- Additional specifications for revocation or suspension of licenses or permits.
- A requirement that cow milk be collected within 72 hours.
- Requirements that milk be cooled to the specifications of the PMO.

The bill is tie-barred to HB 4829, which would recodify the Manufacturing Milk Law.

Legislative Analyst: C. Layman

FISCAL IMPACT

The bill would result in an estimated loss in State revenue of nearly \$32,000 associated with the provisions regarding drug residue testing. Under the bill, penalty fines under certain conditions would no longer be paid to the Director of the Michigan Department of Agriculture; instead, the bill would require producers to pay buyers for lost milk.

The bill would modify and eliminate a number of the current fees as well as create new fees. There would be no net annual fiscal impact on State revenues from these changes. The bill would change the terms of a number of the licenses from one year to two and three years. However, these changes would not affect the annual revenues generated from these fees.

The bill could result in additional State revenue from the provision allowing administrative fines of up to \$1,000 and the costs of investigation. This fine revenue would be deposited in the General Fund for the purpose of the training or education of producers in management procedures to avoid drug residue contamination.

Date Completed: 10-24-01

Fiscal Analyst: C. Thiel