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Senate Bill 1007 (Substitute S-1 as reported)
Senate Bill 1008 (Substitute S-2 as reported)
Sponsor: Senator Patricia L. Birkholz (S.B. 1007)
Senator Gerald Van Woerkom (S.B. 1008)
Committee: Agriculture

CONTENT

Senate Bills 1007 (S-1) and 1008 (S-2) would amend the Grade A Milk Law and the Manufacturing Milk Law, respectively, to do the following:

- Revise the requirements for licensure under each Law.
- Require the money collected from license fees, fines, and other sources under each Law to be deposited into the Dairy and Food Safety Fund.
- Permit the Michigan Department of Agriculture (MDA) Director to impose a late fee of \$10 a day, up to \$100, for each day an application for a license renewal under either Law was late; charge a convenience fee; and collect from the applicant any cost associated with the method of payment.
- Permit the MDA Director to suspend a license or permit if a licensee or permittee committed certain violations.
- Adopt common definitions of some terms.

Senate Bill 1007 (S-1) also would do the following:

- Revise the requirements for a bulk milk hauler/sampler.
- Refer to the 2005, rather than the 2001, version of the Pasteurized Milk Ordinance (PMO).
- Revise certain definitions.

Senate Bill 1008 (S-2) also would:

- Include new standards for the pasteurization of milk, condensed milk, and whey, and the mixing of pasteurized milk products.
- Require a milk processing plant to provide certain minimum lighting levels and sufficient electrical power, and meet other requirements.
- Revise the requirements for cleaning equipment at a dairy plant.
- Revise certain requirements for the handling of retail packages and packaged dairy products.

Each bill would take effect 30 days after it was enacted into law.

MCL 288.472 et al. (S.B. 1007)
288.570 et al. (S.B. 1008)

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bills would result in a small saving for the State since they would allow the Michigan Department of Agriculture to assess a late fee and pass on the costs of convenience charges for transactions to fee payers. The bills also would redirect revenue from all fees, assessments, fines, or money collected under these provisions to the Dairy and Food Safety Fund, instead of the General Fund, where it currently is deposited. According to the MDA, approximately \$60,000 is collected annually in fee revenue, \$15,000 is collected in fines, and it expects to collect less than \$1,000 annually in late fees. This means that about \$75,000 would be deposited into the Dairy and Food Safety Fund instead of into the General Fund. The Dairy and Food Safety Fund is used to administer dairy and food programs in the MDA.

The bills would have an indeterminate fiscal impact on local government. There are no data to indicate how many offenders would be convicted of violating the Grade A Milk Law or the Manufacturing Milk Law under the proposed changes in the bills. To the extent that the bills resulted in increased convictions, local governments would incur increased costs of misdemeanor probation and incarceration in local facilities, which vary by county. Additional penal fine revenue would benefit public libraries.

Fiscal Analyst: Jessica Runnels
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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.