



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5585 (Substitute S-1 as reported)
Sponsor: Representative John Espinoza
House Committee: Agriculture
Senate Committee: Agriculture

CONTENT

The bill would amend the Manufacturing Milk Law to do the following:

- Revise the requirements for licensure under the Law.
- Require the money collected from license fees, fines, and other sources 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 the 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.
- 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 certain requirements for the handling of retail packages and packaged dairy products.

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

MCL 288.570 et al.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State. The MDA would be required to inspect receiving stations and transfer stations every six months, which would add costs depending on the number of stations. The bill, however, would allow the MDA to assess a late fee and pass on the costs of convenience charges for transactions to fee payers, which would produce savings. The bill 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.

Date Completed: 4-28-08

Fiscal Analyst: Jessica Runnels