

# HOUSE BILL No. 5598

November 12, 2009, Introduced by Rep. Cushingberry and referred to the Committee on Appropriations.

A bill to amend 2001 PA 266, entitled "Grade A milk law of 2001," by amending sections 31 and 33 (MCL 288.501 and 288.503), section 31 as amended by 2008 PA 136.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 31. (1) An applicant for an initial license as a milk  
2 plant shall apply to the department on a form supplied by the  
3 department and provide a statement containing the following:

4           (a) The milk plant's correct legal name and any name by which  
5 the milk plant is doing business. If the milk plant is a person not  
6 an individual, the name of each officer and director, and partner,  
7 member, or owner owning in excess of 35% of equity or stock.

8           (b) The location of the milk plant to which the statement

1 pertains and the name of the responsible person who may be  
2 contacted at that location.

3 (c) The anticipated value of greatest milk receipts the milk  
4 plant expects to receive during a consecutive 30-day period within  
5 the licensing period.

6 (d) A list of producers, including names, mailing addresses,  
7 and department producer permit number, with whom the milk plant  
8 intends to do business except that not later than 90 days after  
9 becoming licensed for the first time, the milk plant shall send an  
10 updated list to the department.

11 (e) The name of the financial institution through which milk  
12 checks are to be issued to producers.

13 (2) A milk plant shall annually renew a license issued under  
14 this act by applying to the department at least 30 days prior to  
15 the expiration of the existing license. The anniversary date of a  
16 license for a milk plant that is providing a financial statement as  
17 a security device is 130 days after the close of the licensee's  
18 fiscal year. The milk plant shall apply for renewal of a license on  
19 a form supplied by the department and provide a statement  
20 containing the following:

21 (a) The milk plant's correct legal name and any name by which  
22 the milk plant is doing business. If the milk plant is a person not  
23 an individual, the name of each officer and director, and partner,  
24 member, or owner owning in excess of 35% of equity or stock.

25 (b) The location of the milk plant to which the statement  
26 pertains and the name of the responsible person who may be  
27 contacted at that location.

1           (c) The greater of either the value of greatest milk receipts  
2 that the milk plant received within a consecutive 30-day period  
3 during its last license year or the greatest milk receipts that the  
4 milk plant is anticipated to receive during a consecutive 30-day  
5 period within the licensing period.

6           (d) A complete list of producers, including names, mailing  
7 addresses, and department producers permit number, with whom the  
8 milk plant is doing business.

9           (e) The name of the financial institution through which milk  
10 checks are issued to producers.

11           (3) Each milk plant shall pay a \$175.00 annual licensing or  
12 permitting fee, and additionally, an annual fee of \$5.00 for each  
13 dairy farm whose milk is received at the milk plant, receiving  
14 station, or transfer station, plus an additional \$10.00 per farm  
15 shipping to it if the milk plant, receiving station, or transfer  
16 station operator does not maintain an adequate number of industry  
17 personnel, as determined by the director, who are approved to  
18 conduct certified industry farm inspections. The department shall  
19 not levy this additional \$10.00 per farm fee if a cooperative  
20 association is conducting the certified industry farm program for  
21 the milk plant operator. ~~The department shall only charge the dairy  
22 farm license fee to the producer if the producer is not assigned to  
23 a milk plant that pays the annual fee required by this subsection  
24 for the producer. Any such unassigned producer shall be charged a  
25 handling fee of \$5.00 plus an additional \$10.00 if certified  
26 industry farm inspectors are not assigned to the farm.~~

27           (4) Any fees, assessments, civil or administrative fines, and

1 money from any other source collected by the department under this  
2 act shall be deposited into the dairy and food safety fund created  
3 in section 4117 of the food law of 2000, MCL 289.4117.

4 (5) A milk plant operator shall submit detailed plans to the  
5 department for approval before commencing new construction,  
6 remodeling, and equipment changes. Plans for new construction or  
7 remodeling shall include a plan that provides for operational or  
8 physical isolation of the milk plant from sources of potential  
9 product contamination caused by animal production facilities  
10 located in close proximity to the milk plant. Retail or public  
11 viewing areas shall be separated from processing areas by a solid  
12 floor-to-ceiling partition, except that, as approved by the  
13 director, other equally effective means of protection may be used.

14 (6) The department may impose a late fee of \$10.00 for a  
15 renewal application for each business day the application is late.  
16 The total late fee shall not exceed \$100.00. The department shall  
17 not issue or renew a license until any fees and fines have been  
18 paid. A hearing is not required regarding the department's refusal  
19 to issue or renew a license under this subsection except as allowed  
20 under the administrative procedures act of 1969, 1969 PA 306, MCL  
21 24.201 to 24.328. The department may charge a convenience fee and  
22 collect from the applicants any additional costs associated with  
23 the method of fee payment for the license or permit fees described  
24 in this section and sections 32 and 33, not to exceed the costs to  
25 the department.

26 Sec. 33. (1) Each receiving station or transfer station must  
27 be licensed or permitted either as part of a milk plant or as a

1 stand-alone facility. Each stand-alone facility will be licensed or  
2 permitted at a rate of \$50.00 per year. License renewal shall take  
3 place on June 30 every year.

4 (2) Each milk tank truck cleaning facility that cleans milk  
5 contact surfaces of milk tank trucks used to haul milk or milk  
6 products regulated under this act must be licensed or permitted  
7 under this act either as part of a milk plant, receiving station,  
8 or transfer station or a stand-alone milk tank truck cleaning  
9 facility. A licensing or permitting fee shall not be charged under  
10 this act for a milk tank truck cleaning facility that is a part of  
11 a dairy plant, receiving station, or transfer station licensed or  
12 permitted under the manufacturing milk law of 2001. Each stand-  
13 alone facility will be licensed or permitted at a rate of \$50.00  
14 per year. License renewal shall take place on June 30 every year.

15 (3) Each milk transportation company must be licensed or  
16 permitted under this act at a rate of \$20.00 per year. License  
17 renewal shall take place on June 30 every year.

18 (4) Each milk tank truck must be licensed or permitted under  
19 this act at a rate of \$10.00 per year. License renewal shall take  
20 place on June 30 every year.

21 (5) Each distributor who is primarily engaged in the  
22 distribution of finished grade A milk products must be licensed or  
23 permitted under this act either as part of a milk plant or as a  
24 stand-alone distributor. Each stand-alone distribution facility is  
25 licensed at a rate of \$50.00 per year. License renewal shall take  
26 place on June 30 every year.

27 (6) Each single service containers and closures manufacturer

1 must be licensed or permitted under this act either as part of a  
2 milk plant or as a stand-alone manufacturer. Each stand-alone  
3 facility will be licensed at a rate of \$50.00 per year. License  
4 renewal shall take place on June 30 every year.

5 (7) A person shall not pick up grade A milk in a farm pickup  
6 milk tank from a farm bulk milk tank without a hauler/sampler  
7 license issued by the department under this section. Each applicant  
8 for a license shall be examined by the director under the  
9 provisions of this act to determine his or her qualifications to  
10 evaluate milk in a farm bulk milk tank, to accurately measure milk  
11 in a farm bulk milk tank, to obtain representative samples of milk  
12 from a farm bulk milk tank, to properly handle and deliver the  
13 samples, and to pick up milk. The license fee is \$40.00 for 2  
14 years. An initial license fee may be prorated in 6-month increments  
15 at \$10.00 per increment. A hauler/sampler licensed or permitted in  
16 another state shall apply for a license from the department without  
17 examination after submitting satisfactory proof of training and  
18 current licensing in another state to the department with the  
19 license fee and application, unless this requirement is waived by  
20 the director based on reciprocal agreements with individual states.  
21 The director may deny license renewal to any bulk milk  
22 hauler/sampler if the bulk milk hauler/sampler has not had a  
23 satisfactory evaluation of their hauler/sampler methods in the  
24 previous 2 years. License renewal shall take place on June 30 every  
25 2 years.

26 (8) EACH DAIRY FARM FROM WHICH MILK IS SOLD OR OFFERED FOR  
27 SALE MUST BE LICENSED OR PERMITTED AS PROVIDED FOR UNDER SECTION 30

1 AND PAY A DAIRY INSPECTION ASSESSMENT FEE OF 1 CENT PER HUNDRED  
2 POUNDS OF MILK SOLD PER YEAR. THE FEE IMPOSED IN THIS SUBSECTION IS  
3 DUE ON JUNE 30 OF EACH YEAR.