



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 1131 and 1132 (as introduced 2-10-10)
Sponsor: Senator Gerald Van Woerkom
Committee: Agriculture and Bioeconomy

Date Completed: 2-24-10

CONTENT

Senate Bill 1131 would amend the Grade A Milk Law to require each dairy farm from which grade A milk is sold or offered for sale to be licensed or permitted under the Act and pay a dairy inspection assessment fee.

Senate Bill 1132 would amend the Manufacturing Milk Law to require each dairy farm that is required to be licensed under that Law to pay a dairy inspection assessment fee.

The fee under each bill would be one cent per hundred pounds of milk sold per year, and would be due on June 30 of each year.

Senate Bill 1131

Under the Grade A Milk Law, a person may not produce Grade A milk to be offered for sale or conduct other related activities without being licensed under the Law.

Each milk plant must pay to the Michigan Department of Agriculture (MDA) an annual \$175 licensing or permitting fee and an additional fee of \$5 for each dairy farm whose milk is received at the plant, plus a \$10 fee per farm if the plant does not have an adequate number of certified industry farm inspectors.

The MDA may charge the license fee to a producer only if the producer is not assigned to a milk plant that pays the annual fee for that producer. Any unassigned producer must pay a handling fee of \$5 plus an additional \$10 if certified industry farm inspectors are not assigned to the farm. The bill would remove those provisions.

Instead, the bill would require each dairy farm from which grade A milk is sold or offered for sale to be licensed or permitted under the Law and pay a dairy inspection assessment fee of one cent per hundred pounds of milk sold per year.

Senate Bill 1132

The Manufacturing Milk Law prohibits a person from engaging in certain activities, including producing milk that is offered for sale, without being licensed under the Law or the Grade A Milk Law.

The bill would require each dairy farm from which milk is sold or offered for sale and which is required to be licensed under that provision to pay a dairy inspection assessment fee of one cent per hundred pounds of milk sold per year.

MCL 288.501 & 288.503 (S.B. 1131)
288.670 (S.B. 1132)

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bills together would generate approximately \$100,000 in additional restricted funds to be utilized by the Department of Agriculture to help support its dairy inspection program. These funds are included in the FY 2009-10 appropriations for the Department, Public Act 119 of 2009.

Fiscal Analyst: Bruce Baker

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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.