

GRADE A MILK LAW OF 2001 (EXCERPT)
Act 266 of 2001

288.515 Cancellation or modification of security device; milk plant as first receiving point for milk; milk sold in interstate commerce; choice of independent audit or voluntary security modification; cost of audit; payment; failure of milk plant to meet minimum liquidity requirement.

Sec. 45.

(1) A milk plant shall not cancel or modify a security device unless written notice is given to the department by the milk plant at least 90 days before the date of cancellation or modification and approval is given by the department for the cancellation or modification. The milk plant shall send the notice of cancellation or modification to the department by certified mail.

(2) A milk plant that is a first receiving point for milk shall notify the department at least 30 days before receiving milk that will increase the amount due and accrued from the milk plant to an amount greater than the amount represented as a basis for the issuance of the license.

(3) Sections 41 to 46 and 48 do not apply to the sale of milk or milk products in interstate commerce to an out-of-state purchaser not licensed under this act. The protection provided by these sections is available to a producer in another state selling milk products to a licensee in this state.

(4) Except as otherwise provided for in subsection (5), financial and product information filed by a milk plant that is a first receiving point for milk is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(5) Upon receipt of a written request, the department shall provide a producer a copy of the most recent audited financial statement of the milk plant that is a first receiving point for milk of that producer.

(6) A producer may file a written complaint with the department requesting an independent audit regarding the ability of a milk plant that files an audited financial statement as a security device and that is the first receiving point for milk of the producer to meet the minimum liquidity requirement described in section 42. The complaint shall be accompanied by a certified check in the amount of \$100.00 and a signed document guaranteeing full payment for the audit if required under subsection (7). Upon receipt of the complaint and check, the department shall notify the milk plant and advise the milk plant of the choice of either having an independent audit conducted or of voluntarily modifying the security device to either of the alternatives provided for in section 43 or 44.

(7) A milk plant that requests an independent audit under subsection (6) shall bear the cost of that audit if the department determines that the independent audit establishes the milk plant's inability to meet the minimum liquidity requirement described in section 42. The complainant shall bear the cost of the audit if the department determines that the audit establishes that the milk plant meets the minimum liquidity requirement described in section 42.

(8) If the milk plant fails to meet the minimum liquidity requirement described in section 42, the department shall return to the complainant the fee described in subsection (6) and suspend or revoke the milk plant's license in the manner provided for in section 50 or 51. The department may reinstate a suspended license or reissue a revoked license if the milk plant provides the department with a security device described in section 43 or 44. If the department determines that the milk plant meets the minimum liquidity requirement described in section 42, the \$100.00 fee shall be forfeited to the milk plant.

History: 2001, Act 266, Eff. Feb. 8, 2002