

February 8, 1963,
Agriculture 2. *passed as amended 3/26*

House File 207
By PATTON.

Passed House, Date..... Passed Senate, Date.....
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....
Approved.....

A BILL FOR

An Act relating to licensing and bonding of milk and cream processors.

It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Chapter one hundred ninety-two (192), Code 1962,

2 is hereby amended by adding the following new divisions:

3 A. The following words when used in this division, unless
4 a different meaning is plainly required by the context, shall
5 have the following meanings:

6 1. "Person" means any individual, firm, partnership,
7 corporation, association, or co-operative association.

8 2. "Milk processing plant" means a plant to which milk
9 of diverse producers is delivered and where the milk is
10 manufactured into butter, cheese, dry milk, or other dairy
11 products, or where milk is pasteurized.

12 3. "Department" means the department of agriculture.

13 4. "Secretary" means the secretary of agriculture.

14 B. No person shall engage in the business of buying or
15 offering to buy milk or cream in this state for use in a milk
16 processing plant unless such person shall first obtain from
17 the department a license to operate such business.

18 C. The license shall be five dollars per year and the
19 license shall expire on the thirtieth day of June following
20 the date of issue unless sooner suspended by the secretary.

21 D. In no case shall the department issue a license to any
22 person who has not filed with the secretary of agriculture a
23 bond in a penal sum equal to fifty percent (50%) of the gross
24 business of such person in Iowa for the preceding year. Such
25 bond shall run to the state of Iowa, with sureties approved
26 by the secretary for the use and benefit of creditors of such
27 person for debts or causes of action arising from such business.

28 E. Where a person has been engaged in the business of
29 buying milk for use in a milk processing plant for less than
30 one year or is starting a new business, the bond shall be fixed
31 by the secretary in a sum not less than five thousand dollars.

32 F. The milk processing plant license issued under this
33 chapter shall be suspended by the secretary whenever any person
34 fails to have on file a bond as required by this chapter, and
35 the license shall remain under suspension until said bond is
36 renewed.

37 The secretary shall suspend the license of any person who
38 fails to comply with any provision of the Code relating to
39 handling, processing, transporting, or testing any milk or milk
40 product. The secretary shall send notice of such suspension
41 and the reason therefor to such person by certified mail.

42 G. The secretary shall issue one milk processing plant
43 license to each person making proper application therefor and
44 in cases where such person operates plants at more than one
45 location, the secretary shall issue a duplicate license for
46 each such location without extra charge.

47 H. It shall be a misdemeanor for any person to operate a
48 milk processing plant without a license or while such license
49 is under suspension.

EXPLANATION OF HOUSE FILE 207

Many milk and cream plants are having financial difficulty, thereby causing them to close their plants.

In most cases there are a great many unpaid bills, namely the patrons, haulers and employees, thus a hardship is created on the community.

The purpose of this bill is to require such plants to post a bond which will give the community and creditors some protection.

The bill provides for a license and for suspension of license on failure to post bond or for other violations relating to milk processing.