

Rekow, Chair
Boggess
Kuhn

NSB 688
Agriculture

Success
SF 02524

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
AGRICULTURE BILL BY
CHAIRPERSON KLEMME)

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

A BILL FOR

1 An Act relating to the regulation of milk and milk products, by
2 providing for permits, fees, and penalties, making penalties
3 applicable, and providing an effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 192.111, subsection 1, Code 2001, is
2 amended to read as follows:

3 1. The department shall issue and renew permits under this
4 subsection as provided by rules adopted by the department. A
5 permit, unless earlier revoked, is valid until the second July
6 1 following the issuance or renewal. The department shall
7 establish and assess the fees for the issuance and renewal of
8 permits annually as provided in this subsection. A permit fee
9 for the renewal period shall be due on the date that the
10 permit expires. Except as otherwise provided in this section,
11 all of the following shall apply:

12 a. The following persons must receive a permit ~~or license~~
13 from and pay an accompanying permit fee to the department and
14 ~~pay the following fees:~~

15 (1) A milk plant ~~which is not~~ other than a receiving
16 station which must obtain a milk plant permit and pay a permit
17 fee not greater than one two thousand dollars per-year.

18 (2) A transfer station which must obtain a transfer
19 station permit and pay a permit fee not greater than two four
20 hundred dollars per-year.

21 (3) A receiving station ~~which is not~~ other than a milk
22 plant which must obtain a receiving station permit and pay a
23 permit fee of not greater than two four hundred dollars per
24 year.

25 (4) A milk hauler which must obtain a ~~license~~ milk hauler
26 permit and pay a ~~license~~ permit fee not greater than ten
27 twenty dollars per-year.

28 (5) A milk grader which must obtain a ~~license~~ a milk
29 grader permit and pay a license fee of not greater than ten
30 twenty dollars per-year.

31 b. Each A bulk milk tanker ~~shall be licensed by~~ must
32 operate pursuant to a bulk milk tanker permit obtained from
33 the department, and The person obtaining the permit must pay a
34 license permit fee not greater than twenty-five fifty dollars
35 per-year. However, a license fee shall not be required for a

1 ~~vehicle-used-for-the-collection-of-milk-for-manufacturing~~
2 ~~dairy-products-which-has-paid-a-license-fee-for-the-same~~
3 ~~period-pursuant-to-section-194.19.~~

4 ~~The-secretary-shall-establish-the-fees-provided-in-this~~
5 ~~subsection-annually.--The-fees-shall-be-paid-on-July-1-of-each~~
6 ~~year.~~

7 Sec. 2. Section 192.111, subsection 3, paragraph a, Code
8 2001, is amended to read as follows:

9 a. Fees collected under this section ~~and-sections-192.133,~~
10 ~~194.147, 194.197~~ and section 194.20 shall be deposited in the
11 general fund of the state. All moneys deposited under this
12 section are appropriated to the department for the costs of
13 inspection, sampling, analysis, and other expenses necessary
14 for the administration of this chapter and chapter 194, and
15 shall be subject to the requirements of section 8.60.

16 Sec. 3. Section 192.112, unnumbered paragraph 1, Code
17 2001, is amended to read as follows:

18 The department shall adopt rules pursuant to chapter 17A
19 which provide ~~for-licensing-milk-haulers, milk-graders, and~~
20 ~~bulk-milk-tankers-as-provided-in-section-192.111.--The~~
21 ~~department-shall-establish~~ standards of operation for milk
22 haulers, milk graders, and bulk milk tankers. The standards
23 shall include, but need not be limited to, all of the
24 following:

25 Sec. 4. Section 192.113, subsection 1, Code 2001, is
26 amended to read as follows:

27 1. a. A person shall not act as a milk hauler unless the
28 ~~person-is-licensed-as-a-milk-hauler~~ holds a milk hauler permit
29 required pursuant to section 192.111. A person shall not
30 solicit another person to act as a milk hauler or procure or
31 obtain the services of a person to act as a milk hauler unless
32 the person solicited or from whom the services are procured or
33 ~~obtained-is-licensed-as-a-milk-hauler-pursuant-to-section~~
34 ~~192.111~~ holds a milk hauler permit.

35 b. A person shall not act as a milk grader unless the

1 person ~~is-licensed-as-a-milk-grader~~ holds a milk grader permit
2 required pursuant to section 192.111. A person shall not
3 solicit another person to act as a milk grader or procure or
4 ~~obtain~~ the services of a person to act as a milk grader,
5 unless the person solicited or from whom the services are
6 ~~procured or-obtained-is-licensed-as-a-milk-grader-pursuant-to~~
7 section-192-111 holds a milk grader permit.

8 c. A person shall not operate a bulk milk tanker unless
9 the bulk milk tanker ~~is-licensed~~ operates pursuant to a bulk
10 milk tanker permit required pursuant to section 192.111. A
11 person shall not solicit another person to operate a bulk milk
12 tanker or procure ~~or-obtain~~ the services of a person to
13 operate a bulk milk tanker, unless the bulk milk tanker ~~is~~
14 ~~licensed-pursuant-to-section-192-111~~ operates pursuant to a
15 bulk milk tanker permit.

16 Sec. 5. Section 194.3, Code 2001, is amended to read as
17 follows:

18 194.3 DEFINITIONS.

19 For the purpose of this chapter:

20 1. "Bulk milk tanker" means the same as defined in section
21 192.101.

22 2. "Milk grader" means the same as defined in section
23 192.101.

24 3. "Milk hauler" means the same as defined in section
25 192.101.

26 ~~1-~~ 4. "Milk processing plant" means an establishment to
27 which receiving milk of from diverse producers is-delivered
28 where-said-products-are-manufactured, if the milk is
29 manufactured into butter, cheese, dry milk or other dairy
30 products for commercial purposes.

31 ~~2-~~ 5. "Milk used for manufacturing purposes" means milk or
32 milk products manufactured into butter, cheese, ungraded dry
33 milk, or other dairy products except milk and milk products as
34 defined in the Grade "A" Pasteurized Milk Ordinance provided
35 in section 192.102.

1 3- 6. "Organoleptic examination or grading of milk" means
2 examination by the senses of sight, smell, and taste.

3 4--"Person"--includes--individuals,--partnerships,
4 corporations,--and--associations--

5 Sec. 6. NEW SECTION. 194.3A PERMIT REQUIREMENTS.

6 1. The department shall issue and renew permits under this
7 chapter as provided by rules adopted by the department. The
8 following persons must receive a permit from and pay a permit
9 fee to the department:

- 10 a. A milk hauler which must obtain a milk hauler permit.
- 11 b. A milk grader which must obtain a milk grader permit.
- 12 c. A bulk milk tanker which must operate pursuant to a
13 bulk milk tanker permit.

14 2. The department shall provide for the issuance and
15 renewal of permits under this section as provided by rules
16 adopted by the department, in the same manner as provided in
17 section 192.111. The amount of the permit fee shall be the
18 same as provided in section 192.111. A person shall not be
19 required to obtain a milk hauler permit, milk grader permit,
20 or bulk milk tanker permit under this section, if the person
21 has obtained the same permit under section 192.111.

22 3. The department may suspend or revoke a permit issued or
23 renewed under this section in the same manner that the
24 department may suspend or revoke a permit issued or renewed
25 under section 192.111.

26 4. A person who does any of the following is in violation
27 of this section:

28 a. (1) Acts as a milk hauler or milk grader, unless the
29 person holds a milk hauler permit or milk grader permit as
30 required in this section.

31 (2) Solicits another person to act as a milk hauler or
32 milk grader or procures the services of a person to act as a
33 milk hauler or milk grader, unless the person solicited or
34 from whom the services are procured holds a milk hauler permit
35 or milk grader permit as required in this section.

1 b. (1) Operates a bulk milk tanker, unless the bulk milk
2 tanker operates pursuant to a bulk milk tanker permit as
3 required in this section.

4 (2) Solicits another person to operate a bulk milk tanker
5 or procures the services of a person to operate a bulk milk
6 tanker, unless the bulk milk tanker operates pursuant to a
7 bulk milk tanker permit as required in this section.

8 Sec. 7. Section 194.18, Code 2001, is amended to read as
9 follows:

10 194.18 COLORING UNLAWFUL MILK.

11 A person who holds a milk hauler permit or a milk grader
12 licensed permit pursuant to section ~~192.112~~ 192.111 may mix a
13 harmless coloring matter in unlawful milk as provided in
14 section 194.9 to prevent the unlawful milk from being
15 processed and used in any form for human consumption.

16 Sec. 8. Section 194.25, Code 2001, is amended to read as
17 follows:

18 194.25 PENALTY VIOLATIONS AND PENALTIES.

19 1. Any Except as provided in subsection 2, a person who,
20 in person or by an agent or employee, willfully violates any
21 requirement of this chapter shall be guilty of a simple
22 misdemeanor.

23 2. A person in violation of section 194.3A is subject to
24 the same civil penalty as applied to that person as provided
25 in section 192.113.

26 Sec. 9. Section 321E.29A, Code 2001, is amended to read as
27 follows:

28 321E.29A RAW MILK TRANSPORTERS.

29 The department or a local authority may issue annual
30 permits authorizing a raw milk transporter to transport by
31 motor truck raw milk to or from a milk plant, receiving
32 station, or transfer station as provided in chapter 192. The
33 combined gross weight or gross weight on any axle or groups of
34 axles of the motor truck shall not exceed the limits
35 established under section 321.463. The issuing authority may

1 specify weight limits or routes for each raw milk transporter
2 or establish weight limits or routes under section 321E.8.

3 Sec. 10. Sections 192.131 through 192.137, section
4 192.142, sections 194.12 through 194.16, and section 194.19,
5 Code 2001, are repealed.

6 Sec. 11. STAGGERED FEE SYSTEM -- IMPLEMENTATION.

7 1. Except as provided in subsection 2, the department of
8 agriculture and land stewardship shall treat licenses that
9 would otherwise require renewal under section 192.111 or
10 sections 194.12 through 194.14, Code 2001, as permits
11 requiring renewal as provided in section 192.111, as amended
12 by this Act, and section 194.3A, as enacted in this Act.

13 2. Notwithstanding section 192.111, as amended by this
14 Act, and section 194.3A, as enacted in this Act, the
15 department shall provide that fifty percent of the permits
16 issued or renewed in 2003 under these sections shall expire on
17 July 1, 2003, and the remainder shall expire on July 1, 2004.
18 Persons obtaining permits that expire on July 1, 2003, shall
19 pay a permit fee of one-half of the amount otherwise required
20 under those sections.

21 Sec. 12. EFFECTIVE DATE -- APPLICABILITY. This Act, being
22 deemed of immediate importance, takes effect upon enactment.
23 The provisions of this Act become applicable on and after July
24 1, 2002. However, the department may adopt rules in
25 preparation for the Act's applicability on and after the Act's
26 effective date.

27 EXPLANATION

28 This bill amends a number of provisions relating to the
29 regulation of milk and milk products, including providing for
30 fees. These provisions are provided in Code chapter 192
31 referred to as the "Iowa grade 'A' milk inspection law" and
32 Code chapter 194 regulating grades of milk other than grade
33 "A" milk.

34 The bill amends Code section 192.111 and related sections
35 referring to annual licenses issued by the department to milk

1 plants, transfer stations, receiving stations, milk haulers,
2 milk graders, and bulk milk tankers. The Code section also
3 authorizes the department to collect license fees. The bill
4 changes the name "license" to "permit", provides that the
5 permits are valid for two years, and doubles the current fees.

6 The bill creates a new Code section which requires the
7 department to issue and renew permits under that chapter for
8 milk haulers, milk graders, and operators of bulk milk
9 tankers. The bill's section requires the issuance and renewal
10 of the permits in the same manner as those issued under Code
11 section 192.111. It provides that a person is not required to
12 obtain a permit under Code chapter 194 if the person has
13 obtained the same permit under Code chapter 192.

14 The bill repeals a number of sections in both Code chapters
15 192 and 194. These include provisions in Code sections
16 192.131 through 192.137 which provide regulations testing for
17 milk fat, including examination requirements, licensing and
18 fees, milk and cream testing procedures, tests conducted by
19 unlicensed persons, and the use of evidence in legal actions.

20 Sections repealed in Code chapter 194 include Code sections
21 194.12 through 194.16 providing for a milk hauler's license
22 and a milk grader's license, the duty of graders, and the
23 revocation or suspension of licenses. The bill also repeals
24 Code section 194.19 providing for the licensure of vehicles
25 used for the collection of milk.

26 Code section 192.113 provides that a person who violates
27 the chapter's permitting provisions is subject to a civil
28 penalty of at least \$100 but not more than \$1,000 for each
29 violation. The bill amends Code section 194.25 and provides
30 that a person who acts as a milk hauler or milk grader or
31 operates a bulk milk tanker without holding a valid permit in
32 violation of new Code section 194.3A is subject to the same
33 civil penalties.

34 The bill takes effect upon enactment, although its
35 provisions become applicable on and after July 1, 2002. The

1 department is authorized to adopt rules in preparation of the
2 bill's applicability on and after its effective date.

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FEB 25 2002

WAYS AND MEANS

HOUSE FILE 2524
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HSB 688)

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

A BILL FOR

1 An Act relating to the regulation of milk and milk products, by
2 providing for permits, fees, and penalties, making penalties
3 applicable, and providing an effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2524

1 Section 1. Section 192.111, subsection 1, Code 2001, is
2 amended to read as follows:

3 1. The department shall issue and renew permits under this
4 subsection as provided by rules adopted by the department. A
5 permit, unless earlier revoked, is valid until the second July
6 1 following the issuance or renewal. The department shall
7 establish and assess the fees for the issuance and renewal of
8 permits annually as provided in this subsection. A permit fee
9 for the renewal period shall be due on the date that the
10 permit expires. Except as otherwise provided in this section,
11 all of the following shall apply:

12 a. The following persons must receive a permit ~~or license~~
13 from and pay an accompanying permit fee to the department and
14 ~~pay the following fees:~~

15 (1) A milk plant ~~which is not other than~~ a receiving
16 station which must obtain a milk plant permit and pay a permit
17 fee not greater than one two thousand dollars per-year.

18 (2) A transfer station which must obtain a transfer
19 station permit and pay a permit fee not greater than two four
20 hundred dollars per-year.

21 (3) A receiving station ~~which is not other than~~ a milk
22 plant which must obtain a receiving station permit and pay a
23 permit fee of not greater than two four hundred dollars per
24 year.

25 (4) A milk hauler which must obtain a ~~license~~ milk hauler
26 permit and pay a ~~license~~ permit fee not greater than ten
27 twenty dollars per-year.

28 (5) A milk grader which must obtain a ~~license~~ a milk
29 grader permit and pay a license fee of not greater than ten
30 twenty dollars per-year.

31 b. Each A bulk milk tanker ~~shall be licensed by~~ must
32 operate pursuant to a bulk milk tanker permit obtained from
33 the department, and The person obtaining the permit must pay a
34 license permit fee not greater than twenty-five fifty dollars
35 per-year. However, a license fee shall not be required for a

1 ~~vehicle-used-for-the-collection-of-milk-for-manufacturing~~
2 ~~dairy-products-which-has-paid-a-license-fee-for-the-same~~
3 ~~period-pursuant-to-section-194.19-~~

4 ~~The-secretary-shall-establish-the-fees-provided-in-this~~
5 ~~subsection-annually.--The-fees-shall-be-paid-on-July-1-of-each~~
6 ~~year-~~

7 Sec. 2. Section 192.111, subsection 3, paragraph a, Code
8 2001, is amended to read as follows:

9 a. Fees collected under this section ~~and-sections-192.133,~~
10 ~~194.147-194.197~~, and section 194.20 shall be deposited in the
11 general fund of the state. All moneys deposited under this
12 section are appropriated to the department for the costs of
13 inspection, sampling, analysis, and other expenses necessary
14 for the administration of this chapter and chapter 194, and
15 shall be subject to the requirements of section 8.60.

16 Sec. 3. Section 192.112, unnumbered paragraph 1, Code
17 2001, is amended to read as follows:

18 The department shall adopt rules pursuant to chapter 17A
19 which provide ~~for-licensing-milk-haulers,-milk-graders,-and~~
20 ~~bulk-milk-tankers-as-provided-in-section-192.111.--The~~
21 ~~department-shall-establish~~ standards of operation for milk
22 haulers, milk graders, and bulk milk tankers. The standards
23 shall include, but need not be limited to, all of the
24 following:

25 Sec. 4. Section 192.113, subsection 1, Code 2001, is
26 amended to read as follows:

27 1. a. A person shall not act as a milk hauler unless the
28 ~~person-is-licensed-as-a-milk-hauler~~ holds a milk hauler permit
29 required pursuant to section 192.111. A person shall not
30 solicit another person to act as a milk hauler or procure or
31 obtain the services of a person to act as a milk hauler unless
32 the person solicited or from whom the services are procured or
33 ~~obtained-is-licensed-as-a-milk-hauler-pursuant-to-section~~
34 ~~192.111~~ holds a milk hauler permit.

35 b. A person shall not act as a milk grader unless the

1 ~~person is-licensed-as-a-milk-grader~~ holds a milk grader permit
2 required pursuant to section 192.111. A person shall not
3 solicit another person to act as a milk grader or procure or
4 ~~obtain~~ the services of a person to act as a milk grader,
5 unless the person solicited or from whom the services are
6 procured ~~or-obtained-is-licensed-as-a-milk-grader-pursuant-to~~
7 ~~section-192.111~~ holds a milk grader permit.

8 c. A person shall not operate a bulk milk tanker unless
9 the bulk milk tanker ~~is-licensed~~ operates pursuant to a bulk
10 milk tanker permit required pursuant to section 192.111. A
11 person shall not solicit another person to operate a bulk milk
12 tanker or procure ~~or-obtain~~ the services of a person to
13 operate a bulk milk tanker, unless the bulk milk tanker ~~is~~
14 ~~licensed-pursuant-to-section-192.111~~ operates pursuant to a
15 bulk milk tanker permit.

16 Sec. 5. Section 194.3, Code 2001, is amended to read as
17 follows:

18 194.3 DEFINITIONS.

19 For the purpose of this chapter:

20 1. "Bulk milk tanker" means the same as defined in section
21 192.101A.

22 2. "Milk grader" means the same as defined in section
23 192.101A.

24 3. "Milk hauler" means the same as defined in section
25 192.101A.

26 ~~1-~~ 4. "Milk processing plant" means an establishment to
27 which receiving milk of from diverse producers is-delivered
28 where-said-products-are-manufactured, if the milk is
29 manufactured into butter, cheese, dry milk or other dairy
30 products for commercial purposes.

31 2- 5. "Milk used for manufacturing purposes" means milk or
32 milk products manufactured into butter, cheese, ungraded dry
33 milk, or other dairy products except milk and milk products as
34 defined in the Grade "A" Pasteurized Milk Ordinance provided
35 in section 192.102.

1 3- 6. "Organoleptic examination or grading of milk" means
2 examination by the senses of sight, smell, and taste.

3 4--"Person"--includes--individuals,--partnerships,
4 corporations,--and--associations;

5 Sec. 6. NEW SECTION. 194.3A PERMIT REQUIREMENTS.

6 1. The department shall issue and renew permits under this
7 chapter as provided by rules adopted by the department. The
8 following persons must receive a permit from and pay a permit
9 fee to the department:

10 a. A milk hauler which must obtain a milk hauler permit.

11 b. A milk grader which must obtain a milk grader permit.

12 c. A bulk milk tanker which must operate pursuant to a
13 bulk milk tanker permit.

14 2. The department shall provide for the issuance and
15 renewal of permits under this section as provided by rules
16 adopted by the department, in the same manner as provided in
17 section 192.111. The amount of the permit fee shall be the
18 same as provided in section 192.111. A person shall not be
19 required to obtain a milk hauler permit, milk grader permit,
20 or bulk milk tanker permit under this section, if the person
21 has obtained the same permit under section 192.111.

22 3. The department may suspend or revoke a permit issued or
23 renewed under this section in the same manner that the
24 department may suspend or revoke a permit issued or renewed
25 under section 192.111.

26 4. A person who does any of the following is in violation
27 of this section:

28 a. (1) Acts as a milk hauler or milk grader, unless the
29 person holds a milk hauler permit or milk grader permit as
30 required in this section.

31 (2) Solicits another person to act as a milk hauler or
32 milk grader or procures the services of a person to act as a
33 milk hauler or milk grader, unless the person solicited or
34 from whom the services are procured holds a milk hauler permit
35 or milk grader permit as required in this section.

1 b. (1) Operates a bulk milk tanker, unless the bulk milk
2 tanker operates pursuant to a bulk milk tanker permit as
3 required in this section.

4 (2) Solicits another person to operate a bulk milk tanker
5 or procures the services of a person to operate a bulk milk
6 tanker, unless the bulk milk tanker operates pursuant to a
7 bulk milk tanker permit as required in this section.

8 Sec. 7. Section 194.18, Code 2001, is amended to read as
9 follows:

10 194.18 COLORING UNLAWFUL MILK.

11 A person who holds a milk hauler permit or a milk grader
12 licensed permit pursuant to section ~~192.112~~ 192.111 may mix a
13 harmless coloring matter in unlawful milk as provided in
14 section 194.9 to prevent the unlawful milk from being
15 processed and used in any form for human consumption.

16 Sec. 8. Section 194.25, Code 2001, is amended to read as
17 follows:

18 194.25 PENALTY VIOLATIONS AND PENALTIES.

19 1. Any Except as provided in subsection 2, a person who,
20 in person or by an agent or employee, willfully violates any
21 requirement of this chapter shall be guilty of a simple
22 misdemeanor.

23 2. A person in violation of section 194.3A is subject to
24 the same civil penalty as applied to that person as provided
25 in section 192.113.

26 Sec. 9. Section 321E.29A, Code 2001, is amended to read as
27 follows:

28 321E.29A RAW MILK TRANSPORTERS.

29 The department or a local authority may issue annual
30 permits authorizing a raw milk transporter to transport by
31 motor truck raw milk to or from a milk plant, receiving
32 station, or transfer station as provided in chapter 192. The
33 combined gross weight or gross weight on any axle or groups of
34 axles of the motor truck shall not exceed the limits
35 established under section 321.463. The issuing authority may

1 specify weight limits or routes for each raw milk transporter
2 or establish weight limits or routes under section 321E.8.

3 Sec. 10. Sections 192.131 through 192.137, section
4 192.142, sections 194.12 through 194.16, and section 194.19,
5 Code 2001, are repealed.

6 Sec. 11. STAGGERED FEE SYSTEM -- IMPLEMENTATION.

7 1. Except as provided in subsection 2, the department of
8 agriculture and land stewardship shall treat licenses that
9 would otherwise require renewal under section 192.111 or
10 sections 194.12 through 194.14, Code 2001, as permits
11 requiring renewal as provided in section 192.111, as amended
12 by this Act, and section 194.3A, as enacted in this Act.

13 2. Notwithstanding section 192.111, as amended by this
14 Act, and section 194.3A, as enacted in this Act, the
15 department shall provide that fifty percent of the permits
16 issued or renewed in 2003 under these sections shall expire on
17 July 1, 2003, and the remainder shall expire on July 1, 2004.

18 Persons obtaining permits that expire on July 1, 2003, shall
19 pay a permit fee of one-half of the amount otherwise required
20 under those sections.

21 3. Notwithstanding section 192.111, as amended by this
22 Act, and section 194.3A, as enacted in this Act, requiring
23 that the department adopt rules to establish fees for permits
24 as provided in those sections, for the fiscal year beginning
25 July 1, 2002, and ending June 30, 2003, the following shall
26 apply:

27 a. For fifty percent of the permits issued or renewed
28 under chapters 192 and 194, that expire on July 1, 2003, the
29 amount of the fee for a permit shall be the same as required
30 for a comparable license or permit that applied under those
31 chapters on June 30, 2002.

32 b. For fifty percent of the permits issued or renewed
33 under chapters 192 and 194, that expire on July 1, 2004, the
34 amount of the fee for a permit shall be double the amount
35 otherwise required for a comparable license or permit that

1 applied under these chapters on June 30, 2002.

2 Sec. 12. EFFECTIVE DATE -- APPLICABILITY. This Act, being
3 deemed of immediate importance, takes effect upon enactment.

4 The provisions of this Act become applicable on and after July
5 1, 2002. However, the department may adopt rules in
6 preparation for the Act's applicability on and after the Act's
7 effective date.

8

EXPLANATION

9 This bill amends a number of provisions relating to the
10 regulation of milk and milk products, including providing for
11 fees. These provisions are provided in Code chapter 192
12 referred to as the "Iowa grade 'A' milk inspection law" and
13 Code chapter 194 regulating grades of milk other than grade
14 "A" milk.

15 The bill amends Code section 192.111 and related sections
16 referring to annual licenses issued by the department to milk
17 plants, transfer stations, receiving stations, milk haulers,
18 milk graders, and bulk milk tankers. The Code section also
19 authorizes the department to collect license fees. The bill
20 changes the name "license" to "permit", provides that the
21 permits are valid for two years, and doubles the current fees.
22 The bill provides for staggered implementation of the revised
23 fee system.

24 The bill creates a new Code section which requires the
25 department to issue and renew permits under that chapter for
26 milk haulers, milk graders, and operators of bulk milk
27 tankers. The bill's section requires the issuance and renewal
28 of the permits in the same manner as those issued under Code
29 section 192.111. It provides that a person is not required to
30 obtain a permit under Code chapter 194 if the person has
31 obtained the same permit under Code chapter 192.

32 The bill repeals a number of sections in both Code chapters
33 192 and 194. These include provisions in Code sections
34 192.131 through 192.137 which provide regulations testing for
35 milk fat, including examination requirements, licensing and

1 fees, milk and cream testing procedures, tests conducted by
2 unlicensed persons, and the use of evidence in legal actions.

3 Sections repealed in Code chapter 194 include Code sections
4 194.12 through 194.16 providing for a milk hauler's license
5 and a milk grader's license, the duty of graders, and the
6 revocation or suspension of licenses. The bill also repeals
7 Code section 194.19 providing for the licensure of vehicles
8 used for the collection of milk.

9 Code section 192.113 provides that a person who violates
10 the chapter's permitting provisions is subject to a civil
11 penalty of at least \$100 but not more than \$1,000 for each
12 violation. The bill amends Code section 194.25 and provides
13 that a person who acts as a milk hauler or milk grader or
14 operates a bulk milk tanker without holding a valid permit in
15 violation of new Code section 194.3A is subject to the same
16 civil penalties.

17 The bill takes effect upon enactment, although its
18 provisions become applicable on and after July 1, 2002. The
19 department is authorized to adopt rules in preparation of the
20 bill's applicability on and after its effective date.

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Legislative Fiscal Bureau

Fiscal Note

HF 2524 - Milk Regulation (LSB 6755 HV)

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Fiscal Note Version - New

Requested by Representative Marcella Frevert

Description

House File 2524 increases milk inspection fees for FY 2003 paid by the dairy industry. The Bill creates two new fees for reinspection of milk and for pasteurized resealing of milk. The fees will be deposited into the General Fund and then appropriated to the Dairy Products Control Bureau in the Department of Agriculture and Land Stewardship. Funds will be used for payment of salary for one vacant FTE position in the Dairy Products Control Bureau.

Assumptions

1. An additional \$20,000 will be collected from the milk inspection fee increase during FY 2003.
2. Approximately \$12,000 will be collected from 300 reinspections of milk that will be completed during FY 2003 at \$40 per reinspection.
3. Approximately \$6,000 will be collected from 60 pasteurized resealings of milk that will be completed during FY 2003 at \$100 per resealing.
4. This is a one-year fee program.

Fiscal Impact

The fiscal impact of House File 2524 is an increase of \$38,000 in fee revenue that will be deposited into the General Fund and appropriated to the Dairy Products Control Bureau in the Department of Agriculture and Land Stewardship for FY 2003.

Sources

Iowa Dairy Foods Association
Department of Agriculture and Land Stewardship

/s/ Dennis C Prouty

March 27, 2002

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
