

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE REDUCTION OF THE PERCENTAGE OF
5 ADMINISTRATIVE COSTS PAYABLE FROM THE FEE THAT IS ASSESSED PER HUNDREDWEIGHT ON THE
6 VOLUME OF ALL CLASSES OF MILK PRODUCED AND SOLD IN THIS STATE; PROVIDING THAT A
7 PORTION OF THE COST OF MILK INSPECTION AND MILK DIAGNOSTIC LABORATORY FUNCTIONS BE
8 PAID OUT OF THE GENERAL FUND; AND AMENDING SECTION 81-23-202, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 81-23-202, MCA, is amended to read:

13 **"81-23-202. Licenses -- disposition of income.** (1) A producer, producer-distributor, distributor, or
14 jobber may not engage in the business of producing or selling milk subject to this chapter in this state without first
15 having obtained a license from the department, as provided in 81-22-202, or, in the case of milk entering this state
16 from another state or foreign nation, without complying with the requirements of the Montana Food, Drug, and
17 Cosmetic Act and without being licensed under this chapter by the department. The annual fee for the license
18 from the department is \$2 and is due before July 1 and must be deposited by the department in the general fund.
19 The license required by this chapter is in addition to any other license required by state law or any municipality
20 of this state. ~~This chapter applies to every part of the state of Montana.~~

21 (2) In addition to the annual license fee, the department shall, in each year, before April 1, for the
22 purpose of securing funds to administer and enforce this chapter, levy an assessment upon producers,
23 producer-distributors, and distributors as follows:

24 (a) a fee per hundredweight on the total volume of all milk subject to this chapter produced and sold by
25 a producer-distributor;

26 (b) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a producer;

27 (c) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a distributor,
28 ~~excepting~~ except that which is sold to another distributor.

29 (3) The department shall adopt rules fixing the amount of each assessment fee. The ~~amounts~~ amount
30 of the fees may not exceed levels sufficient to provide for the administration of this chapter. The fee assessed



1 on a producer or on a distributor may not be more than one-half the fee assessed on a producer-distributor.

2 (4) (a) (i) In addition to the fees established in subsections (1) through (3), the department shall assess
3 a fee per hundredweight on the volume of all classes of milk produced and sold by a person licensed by the
4 department to ~~be used~~ provide for 50% for of the ~~administration~~ administrative costs of the milk inspection and
5 milk diagnostic laboratory functions of the department. The fee must be established pursuant to 81-1-102(2). The
6 remaining 50% of the costs must be paid from the general fund.

7 (ii) The department shall certify to the department of administration at each fiscal yearend the amount
8 needed from the general fund to pay for 50% of the costs provided for in subsection (4)(a)(i). The certified amount
9 must be transferred to the state special revenue account provided for in subsection (7).

10 (b) A person licensed by the department shall report to the department on a monthly basis the volume
11 of milk produced. All reporting documentation must be submitted on forms approved or provided by the
12 department.

13 (5) The assessments upon producer-distributors, producers, and distributors must be paid quarterly
14 before January 15, April 15, July 15, and October 15 of each year. The amount of the assessments must be
15 computed by applying the fee designated by the department and the fee established in subsection (4) to the
16 volume of milk sold in the preceding calendar quarter.

17 (6) Failure of a producer-distributor, producer, or distributor to pay an assessment when due is a violation
18 of this chapter, and a license under this chapter automatically terminates and is void. A terminated license must
19 be reinstated by the department upon payment of a delinquency fee equal to 30% of the assessment that was
20 due.

21 (7) All assessments required by this chapter must be deposited by the department in the state special
22 revenue fund. All costs of administering chapter 22 and this chapter, including the salaries of employees and
23 assistants, per diem and expenses of board members, and all other disbursements necessary to carry out the
24 purpose of chapter 22 and this chapter, must be paid out of the board money in that fund.

25 (8) The department may, if it finds the costs of administering and enforcing this chapter can be derived
26 from lower rates, amend its rules to fix the rates at a less amount on or before April 1 in any year."

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