

Background:

The Board of Milk Control has the authority to levy an assessment upon producers, producer-distributors, and distributors to administer the Milk Control Act. These assessments are what fund the Board of Milk Control and the Milk Control Bureau.

Milk producers, producer-distributors, and distributors pay this assessment fee based on the total volume of all milk they sell.

Currently they are assessed that fee on a quarterly basis. If the fee is not received by the 15th day following the end of the quarter, the law says their license is to be automatically terminated.

Three Problem Areas:

1. The Quarterly Assessment due dates (15 days after the end of the quarter) are challenging for licensed businesses that are on monthly cycles. Businesses are more apt to inadvertently overlook a quarterly requirement, and may even have to go through more effort to obtain that information on a quarterly basis.
2. Automatic termination of licenses
According to current law, the failure to pay an assessment when due, is a violation that automatically terminates the producer's or distributor's license. That is just not realistic, and is too rigid and inflexible.
3. Need a more workable mechanism for revoking licenses and applying fines.

Solutions:

1. Page 2, Lines 8-9
 - The date for assessing fees will be changed from quarterly to monthly.
 - Starting in July the fees must be paid by the 25th day of the month, based on the volume of milk sold during the previous month.
 - Monthly assessment works better for the licensees, and provides closer oversight for the Bureau.
2. Page 2, Lines 13-14:
Instead of having their license automatically terminate when a producer, producer-distributor, or distributor fails to pay their required assessment, this change provides that the board may revoke a license upon due cause and after a hearing. This process gives the Bureau an opportunity to work with the violator.
(The result would eventually be the same for an unresponsive violator, but through a much more workable process of law.)
3. Page 2, Lines 14-17:
 - Provides that the licensee pays all the assessments through the date that the license was revoked.
 - Provides that a revoked license must be reinstated by the board upon payment of all accrued assessments and a delinquency fee.
 - States that the delinquency fee is to be established by rule. (Formerly that fee was set by law at 30% of the assessment.)

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