

1 *Senate* BILL NO. *313*  
 2 INTRODUCED BY *Turnage - Murphy*  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE TESTING OF  
 5 MILK BY THE DEPARTMENT OF BUSINESS REGULATION TO DETERMINE  
 6 THE VALUE OF RAW MILK AND QUALITY OF MILK RECEIVED BY  
 7 CONSUMERS."

8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Testing of milk. (1) For the purpose of  
 11 determining the value of milk supplied by producers during  
 12 routine audits of milk processing plants which receive raw  
 13 milk directly from producers, the department of business  
 14 regulation shall establish a program of testing such raw  
 15 milk. The department shall also make periodic tests of milk  
 16 offered to consumers in supermarkets and on home delivery  
 17 routes to insure that consumers are receiving high quality  
 18 milk.

19 (2) The department of business regulation may levy an  
 20 assessment on licensed producers to secure the necessary  
 21 funds to administer this program. This assessment is in  
 22 addition to those provided in 27-409.

23 (3) All personnel employed in the sampling and testing  
 24 program shall be licensed by the animal health division of  
 25 the department of livestock.

1 (4) The department may conduct all types of sampling,  
 2 grading, and testing techniques which it considers necessary  
 3 to carry out the intent of this act.

-End-

INTRODUCED BILL

*SB313*

## STATE OF MONTANA

REQUEST NO. 344-77

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 4, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 373 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 373 is an act to require testing of milk by the Department of Business Regulation to determine the value of raw milk and quality of milk received by consumers.

## ASSUMPTIONS:

1. There are fourteen (14) milk processors throughout the state that would be tested on a regular basis for value of raw milk.
2. Testing requirements will require sampling procedures and lab facilities.
3. Milk processors will be assessed on the basis of an estimated 2,240,000 lbs. of milk at \$.035 per cwt. in FY 78 and an estimated 2,240,000 lbs. of milk at \$.0275 per cwt. in FY 79.
4. The staff of the Milk Control Division would require the addition of a lab technician and milk grader to comply with intent of the act.

## FISCAL IMPACT:

|  | <u>FY 78</u>    | <u>FY 79</u>    |
|--|-----------------|-----------------|
| Additional receipts                                  |                 |                 |
| Assessments to producers                             | <u>\$78,400</u> | <u>\$66,761</u> |
| Expenditures   |                 |                 |
| Personal services                                    | <u>41,939</u>   | <u>44,867</u>   |
| Operating expense                                    | <u>19,700</u>   | <u>19,200</u>   |
| Equipment  | <u>11,600</u>   | <u>200</u>      |
| Total additional expenditure                         | <u>73,239</u>   | <u>64,267</u>   |
| Net increase in receipts due to proposed legislation | <u>\$ 5,161</u> | <u>\$ 2,494</u> |

## TECHNICAL NOTE:

1. Sections 3-2401 through 3-2487, R.C.M. 1947, provide for the regulation of Montana's dairy industry. Specifically, Section 3-2411.5 indicates that the Department of Livestock (Milk and Egg Bureau) may enter into cooperative working agreements with other agencies. Under the assumption that the Milk and Egg Bureau engages in inspections, testing and sampling of milk, and has existing labs & qualified personnel (lab technicians, graders), the option to contract with the Milk and Egg Bureau appears to be a viable approach in meeting the demands of Senate Bill 373.
2. The Department of Business Regulation suggests that the proposed legislation be made a part of Chapter 4, Title 27, R.C.M. 1947, by assigning this act Section 27-430.

*Richard L. Crossin*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 4, 1977

## STATE OF MONTANA

REQUEST NO. 344-77

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*Revised*  
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## ASSUMPTIONS:

1. There are fourteen (14) milk processors throughout the state that would be tested on a regular basis for value of raw milk.
2. Testing requirements will require sampling procedures and lab facilities.
3. Milk processors will be assessed on the basis of an estimated 2,240,000 cwt (hundredweight) of milk at \$.035 per cwt. in FY 78 and an estimated 2,240,000 cwt. of milk at \$.0275 per cwt. in FY 79.
4. The staff of the Milk Control Division would require the addition of a lab technician and two (2) milk graders to comply with the intent of the act.

## FISCAL IMPACT:

|  | <u>FY 78</u>    | <u>FY 79</u>    |
|--|-----------------|-----------------|
| Additional receipts                                  |                 |                 |
| Assessments to producers                             | <u>\$78,400</u> | <u>\$66,761</u> |
| Expenditures   |                 |                 |
| Personal services                                    | 41,939          | 44,867          |
| Operating expense                                    | 19,700          | 19,200          |
| Equipment  | <u>11,600</u>   | <u>200</u>      |
| Total additional expenditure                         | <u>73,239</u>   | <u>64,267</u>   |
| Net increase in receipts due to proposed legislation | <u>\$ 5,161</u> | <u>\$ 2,494</u> |

## TECHNICAL NOTE:

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*Richard L. Franz*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: Feb. 8, 1977

Approved by Committee  
on Agriculture Livestock  
& Irrigation

SENATE BILL NO. 373

INTRODUCED BY TURNAGE, MURPHY

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE TESTING OF MILK BY THE DEPARTMENT OF BUSINESS REGULATION TO DETERMINE THE VALUE OF RAW MILK AND ~~QUALITY OF MILK RECEIVED BY CONSUMERS.~~"

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

Section 1. Testing of milk. (1) For the purpose of determining the value of milk supplied by producers during routine audits of milk processing plants which receive raw milk directly from producers, the department of business regulation shall establish a program of testing such raw milk. ~~The department shall also make periodic tests of milk offered to consumers in supermarkets and on home delivery routes to insure that consumers are receiving high quality milk.~~

(2) The department of business regulation may levy an assessment on licensed producers to secure the necessary funds to administer this program. This assessment is in addition to those provided in 27-409.

(3) All personnel employed in the sampling and testing program shall be licensed by the animal health division of the department of livestock.

(4) The department may conduct all types of sampling, grading, and testing techniques which it considers necessary to carry out the intent of this act.

-End-

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