

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB67

Hearing Date: Tuesday January 22, 2013
Committee On: Agriculture
Introducer: Schilz
One Liner: Change provisions of the Nebraska Milk Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Bloomfield, Chambers, Hansen, Harr, Johnson, Lathrop, Schilz, Wallman

Nay:

Absent:

Present Not Voting:

Proponents:

Rick Leonard
Gregory Ibach
Dan Rice
Deron Welty
Randy Chloupek

Representing:

Introducer
Dept of Ag
Prairie Land Dairy
Roberts Dairy
Ne Dept of Ag

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 67 is a statutory maintenance of the Nebraska Milk Act (section 2-3965 to 2-3992) to incorporate into the Act the more recent revisions of reference publications and authorities that provide recognized regulatory standards for sanitation, inspection, labeling and handling of milk and dairy products. The bill also discontinues operation of dairies below Grade A standards except for existing manufacturing grade producers currently in existence. Finally, the bill provides consistency with other regulatory programs administered by the Department for the imposition and disposition of late fee penalties, deletes obsolete provisions and makes other non-substantive revisions to the Act. Specifically, the substantive elements of LB 67 include the following:

Updates adoption by reference the following documents and cited authorities: 2011 Publications of the National Conference on Interstate Milk Shipments as published by the United States Health Service of the U.S. Department of Health and Human Services, including the Pasteurized Milk Ordinance (PMO), Methods of Making Sanitation Ratings, Procedures Governing Interstate Milk Shipments, and Evaluation of Milk Laboratories. The Milk Act currently incorporates the 2005 versions of these documents. Conforming harmonizing reference to the 2011 version of these documents utilized elsewhere in the Act are made by sections 4 and 7 of the bill.

The adoption of the 2011 PMO is modified by subsection 3 of section 2-3965 to continue exclusion of certain sections of the PMO that are currently replaced by corresponding sections of the Milk Act.. LB 67 adds one new exclusion, the definition of "milk distributor", found at subsection W of section 1 of the PMO. The term "milk distributor" is inserted as a

new defined term in 2-3966 of the Milk Act by section 2 of the bill to continue the existing definition of that term for purposes of identifying persons subject to a permitting requirement. Adoption of the 2011 PMO definition of the term would have expanded permitting requirements to entities not currently regulated by the Milk Act.

The bill also updates reference and citation to source materials in the definition of "3-A Sanitary Standards" as defined in section 2-3966 to adopt the Jan 1, 2013 version. Conforming harmonizing reference to this document utilized elsewhere in the Act is made in sections 10 and 11. LB 67 also updates a reference to 7 CFR 58.134 relating to methods of determining sediment content of milk to reference the cited CFR provision as existing on July 1, 2011 (currently July 1, 2006).

A late fee payment penalty of 1 1/2 percent compounded is inserted into subsection (3) of 2-3791. The fee is declared assessed for purpose of recovering extra administrative expense of enforcing the fee and remitted to the Pure Milk Cash Fund. Finally, a new section is inserted into the Milk Act to provide that after July 1, 2013, all new dairies and those whose ownership is transferred after that date shall meet Grade A standards. Existing manufacturing grade producers are grandfathered provided they meet manufacturing milk standards as set forth in sections 2-3983 to 2-3989.

The bill is introduced with the emergency clause to effect necessary statutory changes to conform state law with the 2011 revisions of the PMO to avoid expiration of acceptance of the 2005 PMO standards.

Explanation of amendments:

The committee amendment (AM23) corrects the name of a document incorporated into the Milk Act by section 1 of the bill. The committee amendment also inserts a new defined term for "Grade A Pasteurized Milk Ordinance" to mean the document as delineated in Subsection (3) of 2-3965 which as amended by LB 67 would refer to the 2011 revision.

Ken Schilz, Chairperson