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February 18, 1938

The State Milk Control Board State House Augusta, Maine

Attention, Harold J. Shaw, Chairman

Gentlemen:

I have your letter of February 17, in which you ask for a ruling on the question of requiring sub-dealers, that is, dealers who do not purchase their milk directly from producers, to pay the fee of one cent per hundred-weight established by section 7 of Chapter 13, Public Laws, 1935, under which you operate.

I have just discussed this matter with Clayton Osgoode of the Department of Agriculture as suggested in your letter.

Section 7, of the Act above referred to provides that: "Each licensed dealer and producer-dealer shall pay to said board an annual license fee of \$1 and such further sums not exceeding 1 cent per hundred-weight as monthly payments based on quantity of milk sold and distributed by dealers and producerdealers in any market area as in the opinion of the board may be necessary to meet the cost of administering this act in such market area."

The section then further provides that in case a dealer or producer-dealer is buying his milk directly from a producer he may charge one-half of the amount which he pays to his producers.

There is nothing in the act which exempts a sub-dealer from the payment of this fee. This fee is imposed, as stated, to provide funds for the administration of the act and such sub-dealer obtains all of the benefits of the act which accrues to a dealer or producer-dealer who buys his milk directly from producers and, in my opinion, such a sub-dealer should pay the The State Milk Control Board February 18, 1938 Page 2

same fees as the other dealers and producer-dealers. It is true that he cannot charge any part of the fees back to his producers, and it may be argued that provisions should be made in the act for a smaller fee for such a sub-dealer.

On the other hand, it is undoubtedly true that such sub-dealer is purchasing his milk more economically from a dealer or producer-dealer than he could purchase it from producers and, if this were no so, such sub-dealer would undoubtedly be buying directly from producers.

I think you are justified in asking all such subdealers to pay the one cent per hundred-weight fee,

Very truly yours,

Franz U. Burkett Attorney General

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