



# 114th MAINE LEGISLATURE

# FIRST REGULAR SESSION - 1989

Legislative Document

No. 1565

S.P. 562

In Senate, May 9, 1989

Reference to the Committee on Agriculture suggested and ordered printed.

O'Bren

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator BRAWN of Knox. Cosponsored by Senator PERKINS of Hancock, Representative TOWNSEND of Eastport and Representative TARDY of Palmyra.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-NINE

An Act to Improve the Sardine Inspection and Grading Programs.

1 Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 32 MRSA §4151, sub-§§5 and 6 are enacted to read:

 5 <u>5. Kippers.</u> "Kippers" means all filets packed in hermetically sealed containers which are not classified as
 7 sardines, but have herring as their predominant contents.

 9 <u>6. Steaks. "Steaks" means all laterally cut portions</u> packed in hermetically sealed containers which are not classified
 11 <u>as sardines, but have herring as their predominant contents.</u>

Sec. 2. 32 MRSA §4155, as amended by PL 1979, c. 62, §2, is further amended to read:

§4155. Inspection; conformity with federal acts; branding; embargo and condemnation

The Commissioner of Agriculture, Food and Rural Resources 19 shall by adequate inspection, by such methods, including sampling 21 procedures, and at such times including before, during and after packing, as he the commissioner may from time to time deem 23 appropriate, see that sardines are packed in conformity with the requirements of the Federal Food and Drug Act, the laws of this 25 State, including this chapter, and the rules and regulations promulgated or established thereunder by the commissioner, -- and 27 shall-determine-the-grade-or-quality-of-each-lot-of-sardines-for which-he-shall-have-established-grades-under-section 4157. He The 29 commissioner shall, in a manner consistent with the Maine Administrative Procedure Act, Title 5, chapter 375, make uniform 31 rules and-regulations, which shall have the effect of law, for carrying out this chapter and for insuring that sardines are 33 packed in a sanitary environment and manner and for the sanitary storage and conditions of packing media, -and-may-fix-standards-of-35 quality--in--addition--to--standards--fixed--by--law. He The commissioner shall authorize the persons packing sardines in 37 conformity with the requirements of this chapter to mark the container of said sardines with a statement certifying that the 39 food contained therein was packed, inspected and passed under Title 22, sections 2151 to 2166. Any sardines falsely marked 41 shall be deemed to be misbranded, and any person, firm, corporation, association or society who shall misbrand or falsely 43 mark any container of sardines or sell or offer for sale such misbranded containers shall be punished by a fine of not more 45 than \$500 for each container thus falsely marked.

 47 Every holder of a license issued under section 4153 shall, before packing sardines in 1/4 size cans, or in other containers
 49 for which grades shall have been established by the eemmissioner Maine Sardine Council under Title 36, section 4157 4701, have on
 51 file with the commissioner a code plan satisfactory to the commissioner, which plan shall show the plant where packed, lot

and the calendar year of packing, and may at the option of the 1 licensee show such other information as is desired. Optional coding information may, but need not be included in the plan 3 filed. The code plan shall define "lot" as not more than the entire output of one packing plant for one day, or for one 5 personnel shift, whichever is the shorter period of time. Said The plan shall remain effective until modified or rescinded by 7 said the licensee and another approved code plan is filed. No such licensee shall may pack, process, manufacture, sell, ship, 9 deliver, consign or have in his the licensee's possession sardines for which a code plan is required unless said the code 11 appears legibly and permanently upon each container and also upon the shipping case containing said the sardines. 13

The commissioner may issue a certificate for each lot of 15 sardines, as defined in the applicable code plan on file with him the commissioner, stating the fact of his the commissioner's 17 inspection, the date of inspection, the code, the number of 19 containers in the lot, and the number of cans inspected, and-the quality-or--grade-of--said--lot, which said certificate shall be prima facie evidence of the facts therein stated. Certificates 21 shall be issued only to those packers who make written request to 23 the commissioner, which requests must state that the applicant applies for certificates for the entire seasonal output of the 25 year in which the application is made, or for the entire output of the balance of such the season if the application is made 27 after the season has begun, and such the application shall include all plants operated by the individual, corporation or 29 company making the application.

31 The commissioner shall employ subordinate inspectors, sufficient in numbers, so that adequate inspection can be 33 performed. It shall be the duty of said the inspectors to make adequate and uniform and impartial inspection of all the places, 35 shops and factories in the State, wherever sardines are packed for sale, and for this purpose such inspectors shall have free access, ingress and egress at all reasonable hours to any sardine 37 packing plant, may open any case or container and may, upon tendering the market price, take samples therefrom. 39

41 Whenever the commissioner or any duly authorized agent of the commissioner has reasonable cause to believe that sardines, kippers or steaks are packed in violation of any of the 43 provisions of this chapter, or regulations promulgated under authority of this chapter or Title 36, section 4701, or that the 45 finished product does not meet the standards and requirements of 47 such the chapter and regulations, the commissioner or any duly authorized agent of the commissioner may detain or place an 49 embargo upon such those sardines, kippers or steaks by marking or tagging the same, giving notice that such the sardines, kippers or steaks were packed in violation of this chapter and that they 51 have been detained or embargoed, and warning all persons not to

remove or dispose of the same by sale or otherwise until permission for removal or disposal is given by the commissioner or the court. It shall be unlawful for any person to remove or dispose of such the detained or embargoed article by sale or otherwise without such permission. Orders for detention or embargo issued under this section shall not be considered to be licensing or an adjudicatory proceeding, as those terms are defined by the Maine Administrative Procedure Act, Title 5, chapter 375.

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The commissioner or duly authorized agent of the commissioner detaining such those sardines, kippers or steaks shall promptly petition the proper officer of the District Court or the Superior Court within whose jurisdiction the sardines, kippers or steaks are detained for a libel for condemnation of such the sardines, kippers or steaks, the procedure of which shall conform, as nearly as may be, to the procedure for libelling intoxicating liquors.

If the court finds that the sardines, kippers or steaks were 21 packed in violation of this chapter, or regulations issued thereunder, it shall enter a decree that they shall be destroyed 23 at the expense of the claimant thereof, under supervision of the commissioner, or any of his the commissioner's duly authorized agents, and all court costs and fees, and storage and other 25 proper expenses shall be taxed against the claimant. When the 27 sardines, kippers or steaks can be brought into conformity with this chapter by proper labelling or by other process, the court, 29 after such any costs, fees and expenses have been paid, and a bond to the commissioner or his the commissioner's successors in 31 office, in such a sum as the court may direct, with good and sufficient sureties, conditioned that such those sardines, 33 kippers or steaks shall be so labelled or processed, has been approved by the court, may order that such those sardines, 35 kippers or steaks be delivered to the claimant thereof for such the labelling or processing under the supervision the of 37 commissioner or any duly authorized agent of the commissioner. The expense of such the supervision shall be paid by the 39 claimant. When the product is not in conflict with the laws of a foreign country to which it is intended for export, and is labelled on the outside of the shipping package to show that it 41 is intended for export, the court, after the costs, fees and expenses have been paid, and a bond to the commissioner or his 43 the commissioner's successors in office in such a sum not less 45 than twice the value of such the goods as the court may direct with good and sufficient sureties, conditioned that such those 47 fish shall be exported to a foreign country, to be named therein, with whose laws such the fish are not in violation and shall not 49 be reimported into the United States by any person whomsoever, may order such the fish to be redelivered to the claimant for 51 export under the supervision of the commissioner or any of his the commissioner's duly authorized agents.

Sec. 3. 32 MRSA §4156, as amended by PL 1985, c. 748, is 3 repealed.

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Sec. 4. 32 MRSA §4157, sub-§3, as enacted by PL 1979, c. 62, §4, is repealed.

Sec. 5. 32 MRSA §4157, sub-§4, as enacted by PL 1979, c. 62, 9 §4, is amended to read:

4. Labeling. Fish packed in accordance with this section and the regulations promulgated under Title 36, section 4701, may be plainly and conspicuously marked "Maine Sardines." Fish which are packed in a manner inconsistent with this section and the regulations <u>under Title 36, section 4701</u>, shall not be sold for consumption in the United States unless each can and case is plainly and conspicuously marked with the word "herring," and the word "sardine" does not appear.

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Sec. 6. 32 MRSA §4157, sub-§5, as enacted by PL 1979, c. 62, §4, is repealed.

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Sec. 7. 32 MRSA §4157, sub-§6, as enacted by PL 1979, c. 62, §4, is amended to read:

Embargo. The commissioner, or any duly authorized agent б. 27 of the commissioner, shall detain or place an embargo upon sardines, kippers or steaks officially designated as substandard 29 grade as established by the Maine Sardine Council under Title 36. section 4701, for which a certificate is issued, by marking or 31 tagging the same and warning all persons not to remove or dispose of the same by sale or otherwise until permission for removal or disposal is given by the commissioner. These sardines, kippers or 33 steaks shall be detained or placed under embargo until the goods are marked in accordance with this section or the commissioner 35 received a bond covering the export provisions of this has section. Orders for detention or embargo issued under 37 this section shall not be considered to be licensing or an 39 adjudicatory proceeding, as those terms are defined by Title 5, Part 18.

Sec. 8. 36 MRSA §4695, 2nd ¶, as amended by PL 1981, c. 614, 43 §1, is further amended to read:

An excise tax of 30¢ <u>35¢</u> per case, as defined in section
4692, subsections 1 to 3, is levied and imposed upon the
privilege of packing sardines.

49 Sec. 9. 36 MIRSA §4697, as amended by PL 1983, c. 85, §2, is further amended to read:

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§4697. 1

Reports of production and payment of tax

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Every packer shall, on or before the 10th day of each month, report to the State Tax Assessor the quantity of sardines packed by him the packer during the preceding calendar month, on forms furnished by the State Tax Assessor, and pay to the State Tax Assessor the tax of  $30 \neq 35 \neq$  per case on all sardines reported as packed. If the State Tax Assessor determines that overpayment of tax has been made, he the State Tax Assessor shall make a refund. In making additional assessment or refund determinations, the State Tax Assessor shall rely on the records of the Department of Agriculture, Food and Rural Resources concerning the quantity of sardines packed in each sardine plant, for sale and suitable for human consumption. Any packer may pay to the State Tax Assessor in advance a sum of money based on an estimate of his the packer's tax for a given number of months, and this sum shall be a credit against future monthly reports of that packer.

Sec. 10. 36 MRSA §4699, sub-§2,  $\P$ C, as amended by PL 1979, c. 731, §19, is further amended to read:

C. For gathering, studying, classifying and distrubuting distributing information and data concerning quality, grades, standards, methods of packing and character of the manufactured sardine products, in order to determine and and aid in merchandising improve their quality and advertising them under the direction of the Maine Sardine Council. The information and data and the services of the personnel who collect and classify it may be made available to the Commissioner of Agriculture, Food and Rural Resources for use in promulgating,-establishing-and-modifying-official grades-for-sardines-and-for-use-in-assigning-and-determining grades-of-sardines-and in enforcing applicable provisions of the law-; and

Sec. 11. 36 MRSA §4701 is enacted to read:

37 <u>§4701. Regulations</u>

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39 1. Grades. The Maine Sardine Council may, in a manner consistent with Title 5, Part 18, and after public hearings,
41 promulgate regulations establishing official grades for sardines, kippers or steaks packed within the State, and for marking,
43 branding or labeling of sardines and the use of the grades. The hearings shall be held in places reasonably convenient for the
45 packers. Notice of the hearings and of the final action shall be sent, by registered mail, to all license holders under Title 32, section 4153.

 A. The grades may specify the number of fish per container, the amount, quality and nature of the packing medium or fill, the quality, appearance, odor, character, taste and texture of the fish packed, the style of pack, their

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1	workmanship and arrangement in the container, the quality of
	the substances in the container, the size and type of the
3	container and tolerances allowing for reasonable variation
	from grades.

B. In establishing the regulations, the Maine Sardine 7 Council may consider packing practices in Maine and in other jurisdictions, consumer expectancy, habits and desires, the types of fish available, conditions of sanitation, tastes g and preferences of varying parts of the consumer public, marketing practices and market experience. 11

13 Substandard grade. Sardines, kippers or steaks which 2. are officially designated as substandard grade, for which a certificate is issued, shall not be sold for consumption in the 15 United States unless each can in the lot has the words 17 "Substandard Grade, Good Food - Not High Quality" so placed as to be easily seen when the name of the product or pictorial 19 representation thereof is viewed and appear conspicuously enough to be seen under ordinary conditions of purchase. The words "Substandard Grade, Good Food - Not High Quality" shall be 21 printed in 2 lines across the cover of all cans in letters not 23 less than 1/8 of an inch in height and be enclosed in lines which are not less than 1/32 of an inch in width. This wording shall be printed on all wrappers, labels, cartons or other outer 25 coverings of the cans with a permanent type of indelible ink, or 27 by means of other approved procedure. The words "Substandard Grade" shall appear in letters not less than one inch in height 29 on both ends of the shipping container.

Sec. 12. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

> 1989-90 1990-91

## AGRICULTURE, FOOD AND RURAL **RESOURCES, DEPARTMENT OF**

**Bureau of Public Services** 39

41	Positions	(2)	(2)
	Personal Services	\$115,000	\$115,000
43	All Other	31,000	31,000
45	This appropriation provides		

	funds	for	2	food	inspector
47	superv	isor	s,	2	sardine
	inspec	tors		and	travel
49	expens	es	for	the	sardine
	inspection program.				

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3	AND RURAL RESOURCES TOTAL	\$146,000	\$146,000
		+,	+
5	Sec. 13. Allocation. The followin Other Special Revenue to carry out the	ng funds are al purposes of th	
7		1989-90	1990-91
9			
1	AGRICULTURE, FOOD AND RURAL RESOURCES, DEPARTMENT OF		
3	<b>Bureau of Public Services</b>		
5	Positions	(-2)	(-2)
	Personal Services	(\$115,000)	(\$115,000)
7	All Other	(31,000)	(31,000)
9	TOTAL	(\$146,000)	(\$146,000)
1	This deallocation will		
3	provide General Fund operation of the sardine		
5	inspection program.		
	Bureau of Public Services		
7			
9	Positions Personal Services	(-2) (\$50,000)	(-2) (\$50,000)
1	This deallocation will assist		
	in the transfer of the		
3	grading program from the		
	Department of Agriculture,		
5	Food and Rural Resources to		
	the Maine Sardine Council.		
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^	DEPARTMENT OF AGRICULTURE, FOO RURAL RESOURCES	JU ANU	
9	TOTAL	(\$196,000)	(\$196,000)
L	IVIAL	(\$190,000)	(#190,000)
3	MAINE SARDINE COUNCIL		
-		(2)	(2)
5	Positions Personal Services	(2) \$50,000	(2) \$50,000
7	reisonar bervices	φ30,000	φ307000
	This allocation provides		
9	funds for a Sardine Quality .		
	Grader Supervisor and a		
1	Sardine Quality Grader II to		
	establish grades for		
3	sardines, steaks and kippers.		

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3	MAINE SARDINE COUNCIL TOTAL	\$50,000	\$50,000
5	TOTAL ALLOCATIONS	(\$146,000)	(\$146,000)

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### STATEMENT OF FACT

11 Currently, the sardine industry pays for its own inspection and is stringently monitored by the Department of costs Agriculture, Food and Rural Resources. The sardine industry pays 13 an inspection tax of between  $8^{\phi}$  and  $20^{\phi}$  per case of sardines and 15  $5\ell$  to  $13\ell$  per case of kippers and steaks to fund this program. The industry is also subject to a sardine excise tax of 30¢ per case to fund the activities of the Maine Sardine Council. While 17 the Department of Agriculture, Food and Rural Resources operates 19 the sardine quality program today, the program is funded by these 2 industry-generated revenue sources. The Department of 21 Agriculture, Food and Rural Resources and the Maine Sardine Council propose to change the sardine inspection and grading 23 programs in 3 basic ways.

 The cost of the Department of Agriculture, Food and Rural Resources sardine inspection program will be paid for
 entirely from General Fund revenues.

 The Maine Sardine Council will take over from the Department of Agriculture, Food and Rural Resources the grading
 program for sardines, steaks and kippers. The Department of Agriculture, Food and Rural Resources will retain its authority
 to embargo goods in support of the grading program.

35 3. The sardine excise tax will increase by 5¢ per case to a total of 35¢ per case to fund personnel within the Maine Sardine
37 Council to implement the grading program.

These changes will allow the Maine Sardine Council to continue and increase its ability to promote Maine sardines and
 other canned herring products at a time when tax revenues have been decreasing, while strengthening the integrity of the sardine
 grading and inspection programs.