

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

m
H.S.

L.D. 1432

2
4
DATE: 5/31/5

(Filing No. H-602)

6
8
AGRICULTURE, CONSERVATION AND FORESTRY

10 Reproduced and distributed under the direction of the Clerk of
12 the House.

14
16
**STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION**

18
20 COMMITTEE AMENDMENT "A" to H.P. 996, L.D. 1432, Bill, "An
Act To Reestablish the Milk Handling Fee"

22 Amend the bill by inserting after the title and before the
24 enacting clause the following:

26 **'Emergency preamble. Whereas,** acts of the Legislature do not
28 become effective until 90 days after adjournment unless enacted
as emergencies; and

30 **Whereas,** the milk handling fee provided significant revenue
to the State when it was in effect; and

32 **Whereas,** the State is experiencing economic difficulties and
34 significant fiscal problems; and

36 **Whereas,** revenues are necessary to the State's ability to
address issues vital to the well-being of the State; and

38 **Whereas,** in the judgment of the Legislature, these facts
40 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
42 necessary for the preservation of the public peace, health and
safety; now, therefore, '

44 Further amend the bill by striking out all of section 3 and
46 inserting in its place the following:

COMMITTEE AMENDMENT

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

Sec. 3. 7 MRSA §2954, sub-§13, as amended by PL 1995, c. 2, §3, is repealed.

Sec. 4. 7 MRSA §2954, sub-§16 is enacted to read:

16. Initial notification and subsequent reports to State Tax Assessor. The Maine Milk Commission shall notify the State Tax Assessor the first time after May 1, 2005 that the basic price of milk as defined in Title 36, section 4901, subsection 1 is below \$18 for 2 consecutive months. After initial notification, the Maine Milk Commission shall report before the first of each month to the State Tax Assessor the basic price of milk established for that month in Title 36, chapter 721.

Sec. 5. 36 MRSA §191, sub-§2, ¶BB, as amended by PL 2003, c. 668, §9 and affected by §12 and amended by c. 689, Pt. B, §6, is further amended to read:

BB. The disclosure to an authorized representative of the Department of Health and Human Services, Office of Head Start and Child Care of taxpayer information directly relating to the certification of investments eligible for or the eligibility of a taxpayer for the quality child care investment credit provided by section 5219-Q; and

Sec. 6. 36 MRSA §191, sub-§2, ¶CC, as enacted by PL 2003, c. 668, §10 and affected by §12, is amended to read:

CC. The disclosure to an authorized representative of the Department of Professional and Financial Regulation of information necessary for the administration of Title 10, chapter 222; and

Sec. 7. 36 MRSA §191, sub-§2, ¶DD is enacted to read:

DD. The disclosure to an authorized representative of the Maine Milk Commission of information on the quantity of packaged milk handled in the State and subject to the milk handling fee established in section 4902 and other information obtained by the assessor in the administration of chapter 721.'

Further amend the bill in section 4 in that part designated "§4901." by inserting before subsection 1 the following:

'1. Basic price. "Basic price" means the minimum Class I price of milk established pursuant to Title 7, chapter 603 including that part of the Class I price that exceeds the applicable Class I price established pursuant to the northeast marketing area milk marketing order, but does not include that

2 part of the Class I price established by the Maine Milk
3 Commission to reflect the cost factors provided in Title 7,
4 section 2954, subsection 2 or the increased costs of production
5 pursuant to Title 7, section 2954, subsection 2, paragraph A.'

6 Further amend the bill in section 4 in that part designated
7 "~~§4901.~~" in subsection 2 in the last line (page 2, line 27 in
8 L.D.) by inserting after the following: "~~none,~~" the following:
9 'the producer-handler or'

10 Further amend the bill in section 4 in that part designated
11 "~~§4901.~~" by inserting after subsection 5 the following:

12 '6. Producer-handler. "Producer-handler" means a person who
13 produces milk and packages that milk or part of that milk for
14 retail sale either by that person or by another retail handler.'

15 Further amend the bill in section 4 in that part designated
16 "~~§4901.~~" by renumbering the subsections to read consecutively.

17 Further amend the bill in section 4 in that part designated
18 "~~§4902.~~" in subsection 1 by striking out all of the first
19 sentence (page 3, lines 3 to 5 in L.D.) and inserting in its
20 place the following: 'Upon notification by the Maine Milk
21 Commission in accordance with Title 7, section 2954, subsection
22 16, the assessor shall levy and impose a fee at the rate
23 established in subsection 2 on the handling in this State of
24 packaged milk for sale in this State.'

25 Further amend the bill in section 4 in that part designated
26 "~~§4902.~~" by striking out all of subsection 2 and inserting in its
27 place the following:

28 '2. Rate. The rate of the fee levied under this chapter is
29 established for each fee period on the basis of the basic price
30 of milk in effect on the Sunday following the first Sunday of the
31 fee period in accordance with the following:

32 A. If the basic price is \$18.50 per hundredweight and
33 above, the rate of the milk handling fee is 0¢ per gallon;

34 B. If the basic price is \$18.00 to \$18.49 per
35 hundredweight, the rate of the milk handling fee is 1¢ per
36 gallon;

37 C. If the basic price is \$17.50 to \$17.99 per
38 hundredweight, the rate of the milk handling fee is 2¢ per
39 gallon;

COMMITTEE AMENDMENT "A" to H.P. 996, L.D. 1432

2 D. If the basic price is \$17.00 to \$17.49 per
hundredweight, the rate of the milk handling fee is 4¢ per
gallon;

4 E. If the basic price is \$16.50 to \$16.99 per
hundredweight, the rate of the milk handling fee is 8¢ per
gallon;

8 F. If the basic price is \$16.00 to \$16.49 per
hundredweight, the rate of the milk handling fee is 10¢ per
gallon; and

12 G. If the basic price is below \$16.00 per hundredweight,
the rate of the milk handling fee is 12¢ per gallon.

14 For any container other than a gallon, the fee is computed on a
gallon-equivalent basis.'

16 Further amend the bill in that part designated "\$4902." in
18 subsection 3 in the 3rd line (page 3, line 21 in L.D.) by
20 inserting after the following: "period" the following: 'and are
22 either'

24 Further amend the bill in that part designated "\$4902." in
26 subsection 5 in the 4th line (page 3, line 43 in L.D.) by
striking out the following: "and annually thereafter"

28 Further amend the bill in that part designated "\$4902." in
30 subsection 5 in the last line (page 4, line 3 in L.D.) by
inserting after the following: "fee." the following: 'The
assessor may share information with the Maine Milk Commission in
32 accordance with section 191, subsection 2, paragraph DD.'

34 Further amend the bill in that part designated "\$4902." by
36 striking out all of subsection 9 and inserting in its place the
following:

38 '9. Exception. A producer-handler who sells less than
10,000 hundredweight per year is not subject to the fee imposed
under subsection 1.'

42 Further amend the bill by striking out all of section 6 and
inserting in its place the following:

44 'Emergency clause. In view of the emergency cited in the
preamble, this Act takes effect when approved.'

48 Further amend the bill by relettering or renumbering any
50 nonconsecutive Part letter or section number to read
consecutively.

Refs

2
4
6
8
10
12
14
16
18

SUMMARY

This amendment adds an emergency. It establishes a rate schedule that varies inversely with the price of milk and a trigger for initiating the fee. The handling fee is initiated after the basic price of milk falls below \$18 per hundredweight for 2 consecutive months. It adds definitions to the bill for "basic price" and "producer-handler." It provides an exception from the fee for producer-handlers who sell less than 10,000 hundredweight per year. It allows the State Tax Assessor to share information with the Maine Milk Commission. It also removes the provision relating to funding for the Maine Farms for the Future Program.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 1432

LR 1769(02)

An Act To Reestablish the Milk Handling Fee

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Agriculture, Conservation and Forestry

Fiscal Note Required: Yes

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Net Cost (Savings)				
General Fund	(\$1,190,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)
Appropriations/Allocations				
General Fund	\$10,000	\$0	\$0	\$0
Revenue				
General Fund	\$1,200,000	\$1,300,000	\$1,300,000	\$1,300,000

Fiscal Detail and Notes

The Milk Handling Fee may increase General Fund Revenue by an estimated \$1,200,000 in fiscal year 2005-06 and \$1,300,000 in fiscal year 2006-07. The actual amount of additional revenue may vary greatly from these estimates since the handling fee imposed is required to range from 0 cents per gallon to 12 cents per gallon depending on the price of milk, a variable that is difficult to predict with any certainty. This bill also includes a \$10,000 General Fund appropriation in fiscal year 2005-06 for the initial additional costs to Maine Revenue Services.