

# 81-23-202, MCA DIAGRAM

## Milk Control License & Fee:

- \$2/license
- for FY2016 licenses: 135 licenses, \$270 to General Fund

**81-23-202. Licenses -- disposition of income.** (1) A producer, producer-distributor, distributor, or jobber may not engage in the business of producing or selling milk subject to this chapter in this state without first having obtained a license from the department as provided in [81-22-202](#) or, in the case of milk entering this state from another state or foreign nation, without complying with the requirements of the Montana Food, Drug, and Cosmetic Act and without being licensed under this chapter by the board. The annual fee for the license is \$2, is due before July 1, and must be deposited by the department in the general fund. The license required by this chapter is in addition to any other license required by state law or any municipality of this state. This chapter applies to every part of the state of Montana.

(2) In addition to the annual license fee, the board shall, in each year, before April 1, for the purpose of securing funds to administer and enforce this chapter, levy an assessment upon producers, producer-distributors, and distributors as follows:

(a) a fee per hundredweight on the total volume of all milk subject to this chapter produced and sold by a producer-distributor;

(b) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a producer;

(c) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a distributor, excepting that which is sold to another distributor.

(3) The board shall adopt rules fixing the amount of each fee. The amounts may not exceed levels sufficient to provide for the administration of this chapter. The fee assessed on a producer or on a distributor may not be more than one-half the fee assessed on a producer-distributor.

(4) (a) In addition to the fees established in subsections (1) through (3), the department shall assess a fee per hundredweight on the volume of all classes of milk produced and sold by a person licensed by the department to be used for the administration of the milk inspection and milk diagnostic laboratory functions of the department. The fee must be established pursuant to [81-1-102\(2\)](#).

(b) A person licensed by the department shall report to the department on a monthly basis the volume of milk produced. All reporting documentation must be submitted on forms approved or provided by the department.

(5) The assessments upon producer-distributors, producers, and distributors must be paid before the 25th day of each month. The amount of the assessments must be computed by applying the fee designated by the board and the fee established in subsection (4) to the volume of milk sold in the preceding month.

(6) Failure of a producer-distributor, producer, or distributor to pay an assessment when due is a violation of this chapter, and the board may revoke a license upon due cause and after a hearing. A licensee shall pay all assessments accrued through the date a license is revoked under this section. A revoked license must be reinstated by the board upon payment of all accrued assessments and a delinquency fee established by rule.

(7) All assessments required by this chapter must be deposited by the department in the state special revenue fund. All costs of administering chapter 22 and this chapter, including the salaries of employees and assistants, per diem and expenses of board members, and all other disbursements necessary to carry out the purpose of chapter 22 and this chapter, must be paid out of the board money in that fund.

(8) The board may, if it finds the costs of administering and enforcing this chapter can be derived from lower rates, amend its rules to fix the rates at a less amount on or before April 1 in any year.

## Milk Control Assessment to pay for Board of Milk Control activity, including operations of Milk Control Bureau:

- \$313,000 milk control assessment revenue projected for FY2016 from producers, producer-distributors, and distributors (SR 02817)
- \$278,000 budget for FY2016 expenditures
- Rates set annually by Board of Milk Control in ARM 32.23.301

## Milk Inspection Assessment to fund milk inspection & milk diagnostic laboratory functions administered by Milk & Egg Bureau

- \$370,000 milk inspection assessment revenue projected for FY2016 from dairies (SR 02701)
- \$500,000 budget for FY2016 ongoing expenditures
- Rates set by Department of Livestock (Board of Livestock) in ARM 32.2.406

Pertains to failure to pay milk control assessment when due, revocation of license, and reinstatement of license

Board of Milk Control may adjust (lower) milk control assessment rate in its annual rate setting after considering costs of administering Milk Control Act

**(5): Assessments from (2) and (4) due before 25<sup>th</sup> day of each month, based on sales in preceding month**

**(7): Assessments from (2) and (4) comes to Department of Livestock and is deposited in two special revenue accounts.**

- Milk Control Bureau has been receiving and depositing the funds into two special revenue accounts: Milk Control (02817) and Milk Inspection (02701)