

SENATE BILL No. 61

By Committee on Agriculture and Natural Resources

1-23

1 AN ACT concerning agriculture; relating to fees for milk, cream and dairy
2 businesses; authorizing the Kansas secretary of agriculture to collect a
3 fee for processing paper documents; amending ~~K.S.A. 74-576 and~~
4 K.S.A. 2016 Supp. 65-778 and 65-781 and repealing the existing
5 sections.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 2016 Supp. 65-778 is hereby amended to read as
9 follows: 65-778. (a) Any person who engages in business as a dairy
10 manufacturing plant shall first apply for and obtain a dairy manufacturing
11 plant license from the secretary and shall pay a license fee of \$120, or
12 commencing July 1, 2002, and ending June 30, ~~2018-2028~~ **2023**, a license
13 fee of \$200.

14 (b) Any person who engages in business as a distributor of milk, milk
15 products or dairy products shall first apply for and obtain a milk distributor
16 license from the secretary and shall pay a license fee of \$120, or
17 commencing July 1, 2002, and ending June 30, ~~2018-2028~~ **2023**, a license
18 fee of \$200. No milk distributor license shall be required for a licensed
19 dairy manufacturing plant which distributes only those products which it
20 manufactures.

21 (c) Any person who engages in business as a milk hauler shall first
22 apply for and obtain a milk hauler license from the secretary and shall pay
23 a license fee of \$25 or commencing July 1, 2002, and ending June 30,
24 ~~2018-2028~~ **2023**, a license fee of \$35. As part of the application, the
25 secretary may require the applicant to be tested regarding proper
26 procedures for sampling, testing and weighing milk or cream and state
27 laws and rules and regulations.

28 (d) Any person who operates a milk or cream transfer station or milk
29 or cream receiving station shall first apply for and obtain a milk or cream
30 station license from the secretary and shall pay a license fee of \$50, or
31 commencing July 1, 2002, and ending June 30, ~~2018-2028~~ **2023**, a license
32 fee of \$100.

33 (e) Any person who engages in business as a manufacturer of single
34 service dairy containers or manufacturer of single service dairy container
35 closures shall first apply for and obtain a single service manufacturing
36 license from the secretary and shall pay a license fee of \$50, or

1 commencing July 1, 2002, and ending June 30, ~~2018-2028~~ **2023**, a license
2 fee of \$100.

3 (f) Any person who operates a milk tank truck cleaning facility shall
4 first apply for and obtain a milk tank truck cleaning facility license from
5 the secretary and shall pay a license fee of \$100.

6 (g) Any license issued under this section shall be renewed annually.

7 (h) The dairy manufacturing plant license, milk distributor license,
8 milk tank truck cleaning facility license, milk or cream station license and
9 single service manufacturing license shall expire on December 31 of the
10 year for which it was issued unless suspended or revoked by the secretary
11 pursuant to this act. The milk hauler license shall expire on June 30
12 following the date of issuance unless suspended or revoked by the
13 secretary pursuant to this act.

14 (i) No license issued under this section shall be transferable. No
15 license shall be renewed if any assessments or fees required under this act
16 are delinquent.

17 (j) Each applicant for a license or for the renewal of such license shall
18 submit an application on a form supplied by the secretary accompanied by
19 the license fee. All licenses shall be conspicuously displayed in the
20 applicant's place of business.

21 (k) ~~The secretary is authorized and directed to may, by order, shall~~
22 ~~reduce any license fee in subsections (a) through (f) by adopting rules and~~
23 ~~regulations whenever the secretary determines that such fee is yielding~~
24 ~~more than is necessary for administering the provisions of this act. In the~~
25 ~~event that the secretary, after reducing such fee, finds that sufficient~~
26 ~~revenues are not being produced by such reduced fee, the secretary is~~
27 ~~authorized to may, by order, The secretary may~~ increase any license fee in
28 subsections (a) through (f); **by adopting rules and regulations** when such
29 license fee is necessary to produce sufficient revenues for administering
30 the provisions of this act. License fees in subsections (a) through (f) shall
31 not be increased in excess of the **maximum** amounts provided in this
32 section.

33 Sec. 2. K.S.A. 2016 Supp. 65-781 is hereby amended to read as
34 follows: 65-781. The following fees for the statewide system of milk
35 inspection and regulatory services are hereby established:

36 (a) A fee of \$.01, or commencing July 1, 2002, and ending June 30,
37 ~~2018-2028~~ **2023**, a fee of \$.015 for each 100 pounds of milk produced by
38 milk producers under Kansas grade A inspection shall be paid. Each
39 producer is hereby charged with such fee which shall be paid to the milk
40 producers' cooperative, milk processor or milk distributor to whom the
41 milk is sold or delivered. Each cooperative, processor or distributor is
42 hereby charged with the duty of collecting such fees which shall be
43 remitted to the secretary.

1 (b) A fee of \$.01, or commencing July 1, 2002, and ending June 30,
2 ~~2018-2028~~ **2023**, a fee of \$.02 for each 100 pounds of packaged grade A
3 pasteurized milk or milk products sold in Kansas at retail to the final
4 consumer shall be paid. Each distributor is hereby charged with such fee
5 which shall be remitted to the secretary.

6 (c) A fee of \$.01, or commencing July 1, 2002, and ending June 30,
7 ~~2018-2028~~ **2023**, a fee of \$.02 per 100 pounds or fraction thereof of grade
8 A raw milk for pasteurization delivered to a milk processor within the state
9 of Kansas which is processed into grade A milk or grade A milk products
10 shall be paid. Each milk processor is hereby charged with such fee which
11 shall be remitted to the secretary. ***On and after January 1, 2018***, this fee
12 shall not be paid if the milk is processed or manufactured at the dairy
13 where such milk is produced ***and less than 6,000,000 pounds of milk is***
14 ***processed annually.***

15 (d) A milk fee of \$.01, or commencing July 1, 2002, and ending June
16 30, ~~2018-2028~~ **2023**, a fee of \$.015 per 100 pounds of milk or cream for
17 manufacturing purposes produced by milk producers under Kansas
18 manufacturing grade milk inspection shall be paid. Each producer is
19 hereby charged with such fee which shall be paid to the milk producers'
20 cooperative, dairy manufacturing plant or any other person to whom the
21 milk or cream for manufacturing purposes is sold or delivered. Each
22 cooperative, dairy manufacturing plant or other person is hereby charged
23 with the duty of collecting such fees which shall be remitted to the
24 secretary.

25 (e) A fee of \$.0075, or commencing July 1, 2002, and ending June 30,
26 ~~2018-2028~~ **2023**, a fee of \$.02 per 100 pounds of Kansas produced milk or
27 cream for manufacturing purposes or other Kansas produced milk
28 delivered to a dairy manufacturing plant shall be paid on all Kansas milk
29 used in the manufacturing of dairy products. As used in this subsection, the
30 term dairy products shall not include any frozen dairy dessert or frozen
31 dairy dessert mix. Each dairy manufacturing plant shall pay such fee
32 which shall be remitted to the secretary. ***On and after January 1, 2018***,
33 this fee shall not be paid if the milk is processed or manufactured at the
34 dairy where such milk is produced ***and less than 6,000,000 pounds of***
35 ***milk is processed annually.***

36 (f) In lieu of the fee prescribed in subsection (e), a fee of \$1, or
37 commencing July 1, 2002, and ending June 30, ~~2018-2028~~ **2023**, a fee of
38 \$2 per thousand gallons of frozen dairy dessert or frozen dairy dessert mix
39 shall be paid by the manufacturer thereof. Each manufacturer of frozen
40 dairy dessert or frozen dairy dessert mix is hereby charged with such fee
41 which shall be remitted to the secretary. Frozen dairy dessert mix which is
42 further processed into the corresponding frozen dairy dessert by the
43 manufacturer of the frozen dairy dessert mix shall not be subject to the fee

1 required by this subsection.

2 (g) A fee of \$1, or commencing July 1, 2002, and ending June 30,
3 ~~2018-2028~~ **2023**, a fee of \$2 per thousand gallons of frozen dairy dessert or
4 frozen dairy dessert mix imported for retail sale in Kansas shall be paid by
5 the milk distributor who imports these products.

6 (h) A fee of \$50 for the annual inspection of a milk tank truck as
7 required by this act. The milk transportation company that owns or leases
8 the milk tank truck shall pay such fee which shall be remitted to the
9 secretary.

10 (i) If any fee computed pursuant to subsection (a) through (e) is less
11 than \$2.50, then the sum of \$2.50 shall be paid in lieu of the computed fee.
12 If any fee computed pursuant to subsection (f) or (g) is less than \$7.50, a
13 minimum fee of \$7.50 shall be paid in lieu of the computed fee.

14 (j) All fees established herein shall be paid to the secretary in the
15 following manner:

16 (1) The fees established in subsections (a) and (c) through (e) shall be
17 remitted on or before the 30th day of each month for the calendar month
18 immediately preceding and shall be accompanied by a report, in the form
19 prescribed by the secretary, indicating the quantities upon which the
20 remittance is based.

21 (2) The fees established in subsections (b), (f) and (g) shall be
22 remitted on April 30, July 31, October 31 and January 31 for the three
23 calendar months immediately preceding and shall be accompanied by a
24 report, in the form prescribed by the secretary, indicating the quantities
25 upon which the remittance is based.

26 (3) The fee established in subsection (h) shall be remitted within 60
27 days from the date of inspection.

28 (k) Any person who fails to remit all or any part of the required fee or
29 to submit the required report by the date due may be assessed an additional
30 charge equal to 1% of the amount of delinquent fees for each day after the
31 date due, or \$5, whichever amount is greater.

32 (l) ~~The secretary is hereby authorized and directed to may, by order,~~
33 **shall** reduce any inspection fee in subsections (a) through (h) **by adopting**
34 **rules and regulations** whenever the secretary determines that such fee is
35 yielding more than is necessary for administering the provisions of this
36 act. ~~In the event the secretary, after reducing such fee, finds that sufficient~~
37 ~~revenues are not being produced by such reduced fee, the secretary is~~
38 ~~authorized to may, by order, The secretary may~~ increase any inspection fee
39 in subsections (a) through (h) **by adopting rules and regulations** when
40 such inspection fee is necessary to produce sufficient revenues for
41 administering the provisions of this act. License fees in subsections (a)
42 through (h) shall not be increased in excess of the **maximum** amounts
43 provided in this section.

1 ~~Sec. 3.—K.S.A. 74-576 is hereby amended to read as follows: 74-576.~~
2 ~~In addition to the specific powers and duties conferred upon the secretary~~
3 ~~of agriculture by the laws of this state, the secretary is hereby authorized~~
4 ~~to:~~

5 ~~(a) Make and enter into contracts and agreements necessary or~~
6 ~~incidental to the execution of the laws relating to the department of~~
7 ~~agriculture; and~~

8 ~~(b) charge and collect, by order, a fee necessary for the~~
9 ~~administration and processing of paper documents, including~~
10 ~~applications, registrations, permits, licenses, certifications, renewals,~~
11 ~~reports and remittance of fees which are necessary or incidental to the~~
12 ~~execution of the laws relating to the department of agriculture. Such fee~~
13 ~~shall be in addition to any fee the secretary is authorized to charge by law~~
14 ~~and shall not exceed \$50; and~~

15 ~~(c) foster and promote the development and economic welfare of the~~
16 ~~agricultural industry of the state.~~

17 ~~Sec. 4. 3. K.S.A. 74-576 and K.S.A. 2016 Supp. 65-778 and 65-781~~
18 ~~are hereby repealed.~~

19 ~~Sec. 5. 4. This act shall take effect and be in force from and after its~~
20 ~~publication in the statute book.~~