

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Bill/Resolution No.: SB 2061

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$2,250	\$0	\$(2,250)	\$0	\$(2,250)	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2061 changes the effective date of the Pasteurized Milk Ordinance and eliminates the dairy facility reinspection fee.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 of the bill eliminates the dairy facility reinspection fee of \$75.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Approximately \$1,950 of fees were included in the executive revenue forecast. The current projection is based on 30 reinspections at \$75 each, totaling \$2,250.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

N/A

Name: Junkert/Baumiller

Agency: Agriculture

Telephone: 328-4756/328-1960

Date Prepared: 12/30/2014

2015 SENATE AGRICULTURE

SB 2061

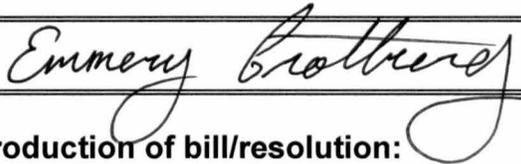
2015 SENATE STANDING COMMITTEE MINUTES

Agriculture Committee
Roosevelt Park Room, State Capitol

SB 2061
1/8/2015
Job # 21762

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the definition and revision of Pasteurized Milk Ordinance; and to license fees

Minutes:

Attachments #1

Shaun Quissell Division director of Livestock Development ND Department of Agriculture representing Agriculture Commissioner: (See attached #1)

Chairman Miller: (3:16) How often have you charged the \$75 fee?

Shaun Quissell: We started the fee in 2006 and it we charged it more often back then; in the last year we charged that fee five times.

Chairman Miller: So it's less than a thousand dollars?

Shaun Quissell: Yes.

Senator Klein: Do we have a fee to inspect facilities currently?

Shaun Quissell: No.

Senator Klein: So people come online and say "we want to sell milk," that's part of the service the state of ND provides?

Shaun Quissell: Correct.

Senator Klein: So as years have gone by, we have less inspectors?

Shaun Quissell: Yes. We have two inspectors currently and one standards training officer who sets the ratings so we are able to ship milk interstate.

Senator Klein: The pasteurized milk ordinance turned into a bigger issue than expected on the house side, how's the raw milk thing going?

Shaun Quissell: It's coming in new. I know there are cow shares out there, I don't do anything with them. People will follow up with them, and if they are listed as selling a cow share, that is out of our jurisdiction.

Senator Klein: As people become ill, are you notified?

Shaun Quissell: If an outbreak happens it would be notified through the department of health and it would be forwarded onto us. As far as I know, we have not been notified of anything.

Senator Warner: Do you have any duplicate services with health or do you have defined lines about what agriculture does relative to sanitation and what health does relative to sanitation? Does health do anything on dairy farms?

Shaun Quissell: It's a clear line between departments. I believe health departments stopped doing things on dairy farms in the 40s or 50s.

Senator Warner: Did that include water sources and nonspecific source pollution, things like that?

Shaun Quissell: Yes. The pollution parts are handled by the department of health. They also set the stands for what is acceptable water quality. We just make sure that they are testing at the required frequency.

Senator Larsen: Do your inspectors have a region? You have two of them?

Shaun Quissell: Yes we have one based out of Bismarck and one out of Fargo.

Senator Larsen: Do they cover Eastern and Western part of the state?

Shaun Quissell: Yes.

Senator Larsen: Do they have other certifications or are they only hired for inspections?

Shaun Quissell: They are certified trained as dairy inspectors. There's other work they'll do on behalf of the Department of Agriculture. We'll do nontraditional livestock inspections of facilities and we'll also do certain feed inspections for BSE (Bovine Spongiform Encephalopathy) and feed mills and facilities for our feed department.

Senator Klein: Did I hear that there are 91 places to inspect? Is that down from last year?

Shaun Quissell: Correct. When I took over we had 105 farms.

Senator Klein: Moved Do Pass.

Senator Larsen: Seconded the motion

A Roll Call Vote was taken: Yes 6, Nay: 0, Absent 0.

Senate Agriculture
SB 2061
1-8-2015
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Do Pass carries.

Senator Oley Larsen will carry the bill.

REPORT OF STANDING COMMITTEE

SB 2061: Agriculture Committee (Sen. Miller, Chairman) recommends DO PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2061 was placed on the
Eleventh order on the calendar.

2015 HOUSE AGRICULTURE

SB 2061

2015 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Peace Garden Room, State Capitol

SB 2061
3/13/2015
Job # 24793

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the definition of Pasteurized Milk Ordinance, to license fees, and to the Pasteurized Milk Ordinance revision

Minutes:

Attachment #1

Shaun Quissel, Livestock Development Director, ND Department of Agriculture:
(Attachment #1)

(2:13)

Chairman Dennis Johnson: We have to do this every session to reauthorize for the shipment of milk.

Representative Diane Larson: Moved Do Pass

Representative Alex Looyen: Seconded the motion.

Representative Alan Fehr: Why isn't this in rule? Why do we do this every session?

Shaun Quissel: To allow for any changes or if anything would need to be added in the PMO (Pasteurized Milk Ordinance).

A Roll Call vote was taken: Yes 12, No 0, Absent 1.

Do Pass carries.

Representative Boschee will carry the bill.

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2061**

House Agriculture Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation

- Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Larson Seconded By Rep. Looyen

Representatives	Yes	No	Representatives	Yes	No
Chairman Dennis Johnson	X		Rep. Joshua Boschee	X	
Vice Chairman Wayne Trottier	X		Rep. Jessica Haak	X	
Rep. Bert Anderson	X		Rep. Alisa Mitskog	X	
Rep. Alan Fehr	X				
Rep. Craig Headland	X				
Rep. Tom Kading	X				
Rep. Dwight Kiefert	AB				
Rep. Diane Larson	X				
Rep. Alex Looyen	X				
Rep. Cynthia Schreiber Beck	X				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep. Boschee

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2061: Agriculture Committee (Rep. D. Johnson, Chairman) recommends DO PASS
(12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2061 was placed on the
Fourteenth order on the calendar.

2015 TESTIMONY

SB 2061

#1 Shaun Quissell

COMMISSIONER
DOUG GOEHRING



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Testimony of Shaun Quissell
Livestock Development Director
SB Bill 2061
Senate Agriculture Committee
Roosevelt Park Room
January 8, 2015

Chairman Miller and members of the Senate Agriculture Committee, I am Shaun Quissell, division director of livestock development for the North Dakota Department of Agriculture (NDDA) here representing Agriculture Commissioner Doug Goehring. I am here today in support of SB 2061, which will amend provisions of the North Dakota Century Code (NDCC) §4-30 to update federal references in the dairy product regulations and remove the current reinspection fee.

The NDDA regulates milk production from the producer, through the processing and distribution stages to insure a safe and wholesome product for consumers. NDCC§ 4-30 sets the standards and requirements in all phases of production for milk and milk products.

North Dakota adopts federal regulations in NDCC §4-30 because the Food and Drug Administration (FDA) requires every state to adopt the same standards and regulations for interstate shipment of milk and milk products. The National Conference of Interstate Milk Shipments (NCIMS) develops these standards and regulations. NCIMS is an organization made up of state and federal dairy regulators, producers, and dairy processors. The NCIMS meets

every two years to update and revise existing Grade A milk and milk product standards and regulations. After the FDA approves the revisions to the standards and regulations, the NCIMS publishes the most current version in order for states to adopt their standards and regulations. This bill updates these references to reflect the most current federal dairy regulations publications.

Three of these references are the "Pasteurized Milk Ordinance" (PMO), the "Procedures Governing the Cooperative State-Public Health Service Food and Drug Administration Program of National Conference on Interstate Milk Shipments" and the "Methods of Making Sanitation Ratings of Milk Shippers." Current publication dates for these are "2013" and they were released for general publication in the fall of 2013.

In addition, our state has adopted the latest edition of "Standard Methods for the Examination of Dairy Products," which also needs to be updated to the 2013 edition. This is the current laboratory testing requirements and procedures for milk and milk products.

These changes to the state law are important to our dairy industry because our Grade A milk and milk products will not be able to be shipped to other states if these changes are not adopted.

Finally, the bill would remove the current seventy five dollar reinspection fee charge to dairy farm producers. Reinspection is performed following a suspension of farm permit, downgrade of farm from grade A to manufacturing grade, or if unsanitary conditions must be corrected within specific time frame.

Dairy producers already face an economic loss with suspension of permit or a degrade from grade A to manufacturing, due to the decrease of milk price paid to them. The reinspection fee adds to that cost which increases the hardship faced by loss of production or even entire milk check.

Chairman Miller and committee members, I urge a do pass on SB 2061. I would be happy to answer any questions you may have.

#1

COMMISSIONER
DOUG GOEHRING

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Testimony of Shaun Quissell
Livestock Development Director
SB Bill 2061
House Agriculture Committee
Peace Garden Room
March 13, 2015

Chairman Johnson and members of the House Agriculture Committee, I am Shaun Quissell, division director of livestock development for the North Dakota Department of Agriculture (NDDA) here representing Agriculture Commissioner Doug Goehring. I am here today in support of SB 2061, which will amend provisions of the North Dakota Century Code (NDCC) §4-30 to update federal references in the dairy product regulations and remove the current reinspection fee.

The NDDA regulates milk production from the producer, through the processing and distribution stages to insure a safe and wholesome product for consumers. NDCC§ 4-30 sets the standards and requirements in all phases of production for milk and milk products.

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every two years to update and revise existing Grade A milk and milk product standards and regulations. After the FDA approves the revisions to the standards and regulations, the NCIMS publishes the most current version in order for states to adopt their standards and regulations. This bill updates these references to reflect the most current federal dairy regulations publications.

Three of these references are the "Pasteurized Milk Ordinance" (PMO), the "Procedures Governing the Cooperative State-Public Health Service Food and Drug Administration Program of National Conference on Interstate Milk Shipments" and the "Methods of Making Sanitation Ratings of Milk Shippers." Current publication dates for these are "2013" and they were released for general publication in the fall of 2013.

In addition, our state has adopted the latest edition of "Standard Methods for the Examination of Dairy Products," which also needs to be updated to the 2013 edition. This is the current laboratory testing requirements and procedures for milk and milk products.

These changes to the state law are important to our dairy industry because our Grade A milk and milk products will not be able to be shipped to other states if these changes are not adopted.

Finally, the bill would remove the current seventy five dollar reinspection fee charge to dairy farm producers. Reinspection is performed following a suspension of farm permit, downgrade of farm from grade A to manufacturing grade, or if unsanitary conditions must be corrected within specific time frame.

Dairy producers already face an economic loss with suspension of permit or a degrade from grade A to manufacturing, due to the decrease of milk price paid to them. The reinspection fee adds to that cost which increases the hardship faced by loss of production or even entire milk check.

Chairman Johnson and committee members, I urge a do pass on SB 2061. I would be happy to answer any questions you may have.