

The primary purposes of LB 111 are as follows:

- Consolidates two separate laws, the Nebraska Pasteurized Milk Law (§2-3901 to §2-3912) and the Nebraska Manufacturing Milk Act (§2-3913 to §2-3945) into one Act to be known as the Nebraska Milk Act. The bill would utilize selected existing sections of these acts as recodified and as modified to retain distinctions between utilization of milk for either Grade A or manufacturing grade purposes where appropriate. Existing sections of §2-3901 to §2-3945 that become obsolete or duplicative because of the consolidation are outright repealed under Section 31 of the bill.
- Incorporates the most recent publication of the United States Department of Health and Human Services, Public Health Service and the Conference on Interstate Milk Shipments titled the Grade A Pasteurized Milk Ordinance, 2005 Revision (2005 PMO), as the basic body of regulation governing sanitary practices for Grade A milk. Nebraska law currently incorporates the 1999 PMO Revisions.
- Adapts new permit and inspection categories and fees to reflect evolution of the milk industry since the fees were last changed in 1980, the elimination of duplicative and conflicting fee categories within the Manufacturing Milk Act, and to address stagnating fee revenues in order to maintain current allocation of milk inspection program costs between cash and general funds.
- Incorporate certain fee setting and cash fund management principles to annually set fees within a statutory cap to achieve fee revenues only as needed to meeting current year resource needs and to avoid excessive cash fund buildup that occurs with statutorily-prescribed fees.
- Technical cleanup and statute updating to reflect current practice

SECTION-BY-SECTION SUMMARY:

Section 1 -- Amends §2-3901 to reflect citation of sections 1 – 28 of the bill and the Grade A Pasteurized Milk Ordinance, 2005 revision as the Nebraska Milk Law. The provisions of the Pasteurized Milk Ordinance are incorporated except as modified or excluded within the definition of this document. Corrected internal reference and citation within this section to statutory replacement of excluded PMO provisions due to consolidation and reorganization of the milk laws are made.

Section 2: Recodifies §2-3914 which currently defines terms utilized within the Manufacturing Milk Act and adapts this section to define terms utilized in the Nebraska Milk Act which are not defined under incorporated Section 1 of the 2005 PMO.

Section 3: Recodifies §2-3902 as revised with conforming internal citation and deletion of obsolete internal citation.

Section 4: Section 4: Inserts a new section making necessary distinction of permit classifications due to combining of Grade A and manufacturing grade statutes that were previously permitted under separate laws.

Section 6: Recodifies §2-3904 as revised to conform an internal citation

Section 7: Recodifies and revises the schedule of permit and inspection fees in 2-3906. Retains existing Pasteurized Milk Law permit fees until July 31, 2008 and inspection fees until September 30, 2007. New inspection fee categories are established and assigned for payment to either milk plants or first purchasers of milk as appropriate. Current statutorily-prescribed fees are replaced with statutory maximum within which the Department may annually set the actual fee. The actual fee set annually

by director are limited by fee-setting parameters prescribed by this section that the fee cannot be set at a level to receive more than 107% of the cash fund appropriation or result in a year-end cash fund carryover balance exceeding 17% (two-month reserve) of the cash fund appropriation.

Section 8: Recodifies §2-3907 as revised to conform internal citations.

Section 9: Recodifies §2-3908 as revised to allow rule and regulatory authority currently confined by this section to implementation of the Pasteurized Milk Law to apply to the entire act.

Section 10: Recodifies §2-3910 as revised to conform internal citations. New text is inserted that creates a criminal violation of impeding or obstructing the director in performance of enforcement of Act or regulations.

Section 11: Recodifies §2-3911 as revised to conform internal citations.

Section 12: Recodifies §2-3913 as revised to conform internal citations. Revisions to this section also provide for transfer of the balance of terminated Manufacturing Milk Cash Fund established under outright repealed section §2-3930 to the Pure Milk Cash Fund on the effective date of the bill.

Section 13: Inserts new section defining the position of field representatives of milk plants and other first purchasers of raw milk from producers. Duties to be performed by field representatives are enumerated and qualification by training and examination are prescribed. This section is a modification of existing provisions of the Manufacturing Milk Act found in outright repealed section §2-3941.

Section 14: Recodifies §2-3913 as revised to eliminate obsolete text confining applicability of this section to milk for manufacturing use.

Section 15: Recodifies §2-3915

Section 16. Recodifies 2-3916 containing odor standards for raw milk for manufacturing purposes with a necessary clarification to continue to confine this section to manufacturing grade milk.

Section 17: Recodifies §2-3917 containing various standards of raw milk for manufacturing purposes with necessary clarification to continue to confine application of this section to manufacturing grade milk. This section further amended to replace somatic cell standards and procedures and drug residue testing for manufacturing grade milk with those standards under the 2005 PMO.

Section 18: Recodifies §2-3917.01 containing existing Manufacturing Milk Law standards for sediment with clarification to continue to confine applicability of this section to manufacturing grade milk. Corrects a reference to the Code of Federal Regulations for methods of determining sediment levels.

Sections 19 – 25: Recodifies consecutive sections of Manufacturing Milk Law (§2-3919 through §2-2925) as each section is revised to continue to confine applicability of these sections to manufacturing grade milk.

Section 26 – Recodifies §2-3935 as revised to delete current provisions relating to the pasteurization of milk and milk products to avoid duplication of, and conflict with, most up-to-date requirements in the 2005 PMO. Existing pasteurizing instructions for cream used in buttermaking is retained except as modified to remove a requirement related to vat method of pasteurization.

Section 27: – Recodifies §2-3937

SECTION 28: Amends §2-3942 of Manufacturing Milk Law regarding access to facilities to remove obsolete text confining applicability of this section to facilities associated with manufacturing milk only.

SECTION 29: Amends §81-2,270 of the Nebraska Pure Food Act to harmonize a reference to milk laws due to changes elsewhere in Act. Note: Coordination with LB74 is required.

SECTION 30: Repealers of sections amended by the bill

SECTION 31 – Outright repealed sections.

Explanation of amendments, if any:

Senator Philip Erdman, Chairperson