



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 224

PRINTERS NO. 2980

PRIME SPONSOR: Lawrence

### COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund; Milk Marketing Fund	\$0	\$0

**SUMMARY:** House Bill 224, Printer's Number 2980, amends the Milk Marketing Law to authorize the Milk Marketing Board, by official order, to fix and to coordinate, facilitate or establish the collection and distribution of milk premiums.

**ANALYSIS:** This bill amends the Milk Marketing Law (Act 105 of 1937), specifically Section 312 related to the collection of premiums. It authorizes the Milk Marketing Board, by official order, to fix and to coordinate, facilitate or establish the collection and distribution of milk premiums. A new definition is added for "board established premium" meaning a fee, charge or tax established by official order of the board at the retail or wholesale level on a class or classes of milk.

Section 801.1 is amended stating that the board may fix, by official order, established premiums. The bill also clarifies that every cooperative agricultural association or corporation operating under the provisions of this act are not exempt from the board's jurisdiction related to prices.

All moneys collected or received by the board, arising from license fees, penalties, permits or any other source, shall be paid by the board into the State Treasury through the Department of Revenue, and shall, by the State Treasurer, be placed in a separate fund to be known as the "Milk Marketing Fund." Fines imposed under this act shall be payable to, and collected by, the board, and similarly placed in the Milk Marketing Fund. Additional language states that "the board may direct, by official order, a transfer by the State Treasurer of excess moneys within the Milk Marketing Fund to the General Fund."

Section 1104 addresses payments and is amended stating that moneys appropriated by the General Assembly to the Milk Marketing Fund shall be designated, by official order of the board, to be paid to producers, dealers or handlers. The moneys transferred are restricted to the uses of the Milk Marketing Fund specified under this act.

The bill inserts Section 1107 providing for the conduction of audits that may be authorized by official order of the board. Moneys paid to producers, dealers or handlers shall be subject to an audit by the board or its designee.

This legislation would take effect in 60 days upon enactment.

**FISCAL IMPACT:** Enactment of this legislation will have no impact on Commonwealth funds, but further clarifies the authority of the Milk Marketing Board, by official order, to fix and to coordinate, facilitate or establish the collection and distribution of milk premiums.

All moneys collected or received by the board will continue to be deposited into the Milk Marketing Fund. The board may transfer excess moneys within the Milk Marketing Fund to the General Fund and moneys transferred are restricted to uses under the act. The Milk Marketing Board has a budget of \$2.84 million in the current 2021-22 fiscal year that is supported by revenues received into the Milk Marketing Fund.

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House Appropriations Committee (R)

**DATE:** April 13, 2022

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*