

## CHAPTER 67

## (HB 153)

AN ACT relating to milk.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

*It is the intent of Sections 1 to 6 of this Act to serve the public interest by creating a Kentucky Milk Commission within the Department of Agriculture. The purpose of the commission shall be to provide oversight in working to stabilize and improve the dairy industry in Kentucky from production to processing and distribution, and to assure that Kentucky consumers have an adequate supply of fresh wholesome milk and dairy products.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

*As used in Sections 1 to 6 of this Act, unless the context otherwise requires:*

- (1) *"Commission" means the Kentucky Milk Commission;*
- (2) *"Commissioner" means the Commissioner of Agriculture;*
- (3) *"Milk" means bovine lacteal secretion;*
- (4) *"Milk Processor" means any person who purchases, receives, or handles greater than three million (3,000,000) pounds of milk per month; and*
- (5) *"Milk Producer" means any person who produces milk for sale to milk processors.*

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

*The Kentucky Milk Commission is hereby established and shall consist of the following ten (10) members:*

- (1) *The commissioner or the commissioner's designee, who shall serve as chair;*
- (2) *A nonvoting representative of the Kentucky Dairy Development Council (KDDC) designated by the KDDC; and*
- (3) *Eight (8) members appointed by the Governor, who shall be residents of the state. The members shall be as follows:*
  - (a) *Two (2) milk producers who are actively and principally engaged in dairy farming in Kentucky;*
  - (b) *One (1) milk processor or a designee of the processor;*
  - (c) *One (1) retailer;*
  - (d) *Two (2) consumers;*
  - (e) *One (1) employee representative of a milk marketing agency or dairy cooperative; and*
  - (f) *One (1) representative of the Cabinet for Health and Family Services who has experience in the administration of the Special Supplemental Nutrition Program for Women, Infants, and Children.*

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

- (1) (a) *The consumer members of the Kentucky Milk Commission established in Section 3 of this Act shall not, at the time of appointment or while serving as members of the commission, have a business or professional relationship or connection with or a financial interest in any milk producer, milk processor, or other person whose activities are subject to the jurisdiction of the commission;*
- (b) 1. *One (1) of the milk producer members shall be an independent milk producer who is not affiliated with a cooperative and is not associated with the milk processor representative;*
2. *The other milk producer member may be an independent or cooperative milk producer who is not affiliated with the milk processor representative or the cooperative representative;*
- (c) *Members of the commission shall adhere to the Executive Branch Code of Ethics pursuant to KRS Chapter 11A.*

- (2) *Appointed members of the commission shall serve for a term of four (4) years or until their successors are duly appointed and qualified, except that the initial terms shall be for one (1), two (2), three (3), and four (4) years so that terms of the members are staggered. The Governor shall determine the initial staggered terms of the members and shall appoint them by August 1, 2009.*
- (3) *A vacancy on the commission shall be filled for the remainder of the unexpired term in the same manner as the original appointment.*
- (4) *Appointed members of the commission shall be reimbursed for reasonable and necessary expenses incurred while engaged in carrying out the official duties of the commission.*
- (5) *The commission shall be attached to the Department of Agriculture for administrative oversight. The department may facilitate basic administrative functions; however, general administrative costs shall be borne by the dairy industry fund created in Section 6 of this Act.*
- (6) *The commission shall meet quarterly, or at the call of the chair or a majority of the voting members. The first meeting may be called by the chair and may convene by September 1, 2009.*

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

- (1) *Subject to the availability of funds, the commission shall:*
  - (a) *Counsel with the Commissioner of Agriculture on matters pertaining to dairy production and the marketing and distribution of raw milk and Kentucky dairy products;*
  - (b) *Employ the appropriate experts, professionals, consultants, or others to assist members in carrying out duties of the commission;*
  - (c) *Undertake the research needed to determine how other states support their dairy farmers and dairy industry;*
  - (d) *Support investigations, studies, and scientific research to eliminate and alleviate specific problems affecting the dairy industry in the state;*
  - (e) *Participate in studies and investigations of problems particular to milk producers and milk processors in Kentucky; and*
  - (f) *Collect information to determine the actual cost of transporting milk used in Kentucky.*
- (2) *In addition to the responsibilities set out in subsection (1) of this section, the commission also shall:*
  - (a) *Subject to the availability of funds, create a plan to assist Kentucky dairy farmers that would be equitable to all parties in the state dairy industry. The plan should examine and offer recommendations to improve, streamline, and enhance all aspects of the dairy production and distribution system in Kentucky;*
  - (b) *Submit the proposed plan to the Governor, Commissioner of Agriculture, and the Legislative Research Commission for their review;*
  - (c) *Publicize the plan in a way to allow individuals or entities the opportunity to offer comments;*
  - (d) *Promulgate administrative regulations necessary to carry out the plan, once reviewed and approved by the Governor, and the Commissioner of Agriculture, and finalized by the commission; and*
  - (e) *Monitor the progress of the plan and report on the progress annually to the Governor, the Commissioner of Agriculture, and the Legislative Research Commission.*
- (3) *The Kentucky Milk Commission established under Section 3 of this Act shall have no authority to promulgate administrative regulations to establish pricing on milk or milk products.*

➔SECTION 6. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

- (1) *The dairy industry fund is hereby created in the State Treasury as a trust and agency account to be administered by the commission for the purposes provided in this section.*
- (2) *Notwithstanding the provisions of KRS 45.229, any moneys accruing to this fund in any fiscal year, including state appropriations, gifts, grants, federal funds, interest, and any other funds both public and private, shall not lapse but shall be carried forward to the next fiscal year.*

- (3) *Any interest earnings of the fund shall become a part of the fund and shall not lapse.*
- (4) *Moneys received in the fund shall be used for carrying out the provisions of Sections 1 to 6 of this Act.*

**Signed by the Governor March 24, 2009.**