STATE OF NEW YORK

5302--A

2017-2018 Regular Sessions

IN SENATE

March 20, 2017

Introduced by Sen. RITCHIE -- (at request of the Department of Agriculture and Markets) -- read twice and ordered printed, and when printed to be committed to the Committee on Agriculture -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the agriculture and markets law, in relation to the financial security requirements for small business milk dealers and increasing the minimum farm products sales threshold for requiring a farm products dealer license and security

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The opening paragraph of subdivision 4 of section 57 of the agriculture and markets law, as amended by chapter 596 of the laws of 1986, is amended to read as follows:

Application for a license, or licenses shall be made upon a form prescribed by the commissioner. The applicant shall furnish satisfactory evidence of good moral character, and shall give proof of his ability to perform the functions for which a license is applied, to the satisfaction of the commissioner. [~~The applicant shall pay a license fee of five dollars to the commissioner for remittance to the state treasury.~~] The commissioner, in his discretion, may combine in one license authority to perform any of the functions for which a license is required pursuant to the provisions of subdivisions one, two and three of this section. A license shall be for a period not exceeding five years, and may be renewed, in the discretion of the commissioner, for successive periods of not exceeding five years each [~~upon payment of a license fee of two dollars to the commissioner for remittance to the state treasury~~].

§ 2. The first undesignated paragraph of section 57-a of the agriculture and markets law, as amended by chapter 149 of the laws of 1969, is amended to read as follows:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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No person shall test milk and/or cream in order to determine the bacterial or leucocyte count or make other tests to determine the presence or absence of abnormal milk, where the results of such test affects the rate of payment to the producer for such milk and/or cream, the classification of milk and/or cream as received from the producer, or the acceptance or rejection of such milk and/or cream by the operator of a milk-receiving or manufacturing plant, unless licensed by the commissioner. Application for such license shall be made upon a form prescribed by the commissioner. The applicant shall furnish satisfactory evidence of good moral character, and shall demonstrate his ability to make such tests by an examination under the direction of the commissioner. [~~The applicant shall pay a license fee of five dollars to the commissioner for remittance to the state treasury.~~] A license shall be for a period not exceeding five years. A license may be renewed in the discretion of the commissioner, without an examination, for successive periods of not exceeding five years each [~~upon payment of a license fee of two dollars to the commissioner for remittance to the state treasury~~].

§ 3. Paragraph (b) of subdivision 2 of section 244 of the agriculture and markets law, as added by chapter 367 of the laws of 1996, is amended to read as follows:

(b) The licensing, bonding and stated grape price provisions of this article shall not apply to: (i) any person whose annual dealings in farm products do not exceed the sum of [~~ten~~] **twenty** thousand dollars; or (ii) any agricultural cooperative with respect to the receipt, processing and marketing of grapes or grape products of its producer members or non-members of such cooperative on the basis of their patronage, provided, however, that the annual purchase of grape or grape products from non-members of such cooperative shall not exceed the sum of one hundred thousand dollars; or (iii) a charitable not-for-profit organization which receives for distribution donated farm salvage, as defined in section two hundred seventeen of this chapter.

§ 4. Paragraph (b) of subdivision 1 of section 250 of the agriculture and markets law, as added by chapter 367 of the laws of 1996, is amended to read as follows:

(b) In addition to the bond or letter of credit required by section two hundred forty-eight of this article, a fee for deposit in the agricultural producers security fund shall be paid annually to the commissioner at the time application is made for a license. Such fee shall be determined on the basis of the annual dollar volume of purchases of farm products as shown in the application for license under this article in accordance with the following schedule:

Annual Volume	Fee
$5,000,000 and over	$2,500
3,000,000 - 4,999,999	1,750
1,000,000 - 2,999,999	1,000
500,000 - 999,999	750
300,000 - 499,999	500
50,000 - 299,999	300
20,000 - 49,999	200
[~~10,000 - 19,999~~]	[~~100~~]

§ 5. Subdivision 1 of section 258-b of the agriculture and markets law is amended by adding a new paragraph (d) to read as follows:

(d) Upon an application of a dealer, and pursuant to regulations promulgated to effectuate the provisions of this paragraph, a dealer that purchases less than one hundred thousand pounds of milk per month

shall not be subject to bond or assessment under the security provisions of this section when the commissioner waives such provisions. Notwithstanding such waiver, a claim may be filed and pursued against such a dealer as provided for in this section; and any claim that is certified for payment by the commissioner shall be paid from funds derived from license fees assessed upon milk dealers pursuant to section two hundred fifty-eight-a of this article.

The defaulting dealer shall be liable for reimbursement to the commissioner for the value of the claim in the same manner as if the claim was paid out of the milk producers security fund as provided for in paragraph (e) of subdivision five of this section.

§ 6. This act shall take effect immediately.