



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1224

PRINTERS NO. 1464

PRIME SPONSOR: Lawrence

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund; Milk Marketing Fund	\$0	\$0

SUMMARY: House Bill 1224, Printer's Number 1464, provides the Pennsylvania Milk Marketing Board with authority to coordinate with the Department of Revenue to collect and distribute premiums on milk.

ANALYSIS: This bill amends the Milk Marketing Law (Act 105 of 1937) by inserting a new section to provide the Pennsylvania Milk Marketing Board with the "authority to coordinate, facilitate or establish the collection and distribution of board established premiums with the Department of Revenue."

It also inserts a new definition for "board established premium" which means 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. The new definition would include the current price premium for producers known as the Over-Order Premium (OOP) which is an added fee that processors are required to pay producers over the mandated federal milk order price.

This legislation would take effect in 60 days upon enactment.

FISCAL IMPACT: Enactment of this legislation will have no impact on Commonwealth funds, but potentially allows for more revenue to be distributed to Pennsylvania dairy producers by allowing the board to coordinate with the Department of Revenue for collecting established premiums, including OOP revenue, at the retail and wholesale level for distribution. This legislative change was specifically recommended in a September 2019 Legislative Budget and Finance Committee study which reported over \$12 million in OOP revenue was collected in 2018.

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House Appropriations Committee (R)

DATE: December 17, 2019

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