
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1224 Session of
2019

INTRODUCED BY LAWRENCE, BERNSTINE, CALTAGIRONE, DeLUCA, FEE,
GREGORY, HEFFLEY, HERSHEY, HICKERNELL, LONGIETTI, MASSER,
MILLARD, B. MILLER, MOUL, PICKETT, RYAN, SNYDER, TOPPER AND
ZIMMERMAN, APRIL 17, 2019

REFERRED TO COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS,
APRIL 17, 2019

AN ACT

1 Amending the act of April 28, 1937 (P.L.417, No.105), entitled
2 "An act relating to milk and the products thereof; creating a
3 Milk Marketing Board; establishing its jurisdiction, powers
4 and duties; regulating the production, transportation,
5 manufacturing, processing, storage, distribution, delivery
6 and sale of milk and certain products thereof; providing for
7 the licensing of milk dealers and the payment of fees
8 therefor; requiring milk dealers to file bonds to secure
9 payment for milk to producers and certain milk dealers;
10 authorizing the holding of hearings and the issuance of
11 subpoenas by the board; conferring jurisdiction upon courts
12 to punish contempts and to prohibit violations of this act
13 and of rules, regulations and orders of the board;
14 authorizing the board to adopt rules, regulations and orders,
15 and to enter into interstate and Federal compacts; requiring
16 persons who weigh, measure, sample or test milk to procure
17 permits or certificates, to take examinations, to pay fees
18 therefor, to furnish certain notices, records and statements,
19 and to use certain methods of weighing, measuring, sampling
20 and testing; authorizing the board to examine the business,
21 papers and premises of milk dealers and producers, requiring
22 the keeping of records and the filing of reports by milk
23 dealers, and permitting, with limitations, the use of
24 information obtained thereby; authorizing the board to fix
25 prices for milk and certain milk products subject to the
26 approval of the Governor, and conferring certain powers upon
27 the Governor with respect thereto; providing for appeals to
28 the courts from decisions of the board, and for the burden of
29 proof upon such appeals; prescribing penalties, fines and
30 imprisonment for violations of this act and rules,
31 regulations and orders of the board; defining perjury;

1 defining remedies; repealing legislation supplied and
2 superseded by this act, and saving rights, duties and
3 proceedings thereunder; and making appropriations," in
4 purpose, short title and definitions, further providing for
5 definitions and construction; in general powers of the board,
6 providing for coordination with Department of Revenue; and,
7 in prices of milk, further providing for cooperatives.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Section 103 of the act of April 28, 1937
11 (P.L.417, No.105), known as the Milk Marketing Law, is amended
12 by adding a definition to read:

13 Section 103. Definitions; Construction.--The following terms
14 shall be construed in this act to have the following meanings,
15 except in those instances where the context clearly indicates
16 otherwise:

17 * * *

18 "Board established premium" means a fee, charge or tax
19 established by official order of the board at the retail or
20 wholesale level on a class or classes of milk.

21 * * *

22 Section 2. The act is amended by adding a section to read:

23 Section 312. Coordination with Department of Revenue.--The
24 board is hereby vested with the authority to coordinate,
25 facilitate or establish the collection and distribution of board
26 established premiums with the Department of Revenue.

27 Section 3. Section 809 of the act is amended to read:

28 Section 809. Cooperatives.--(a) It is hereby declared to be
29 the legislative intent that no provision of this act shall
30 prevent, and no provision contained herein shall be deemed or
31 construed to prevent, any cooperative agricultural association
32 or corporation organized under the laws of this Commonwealth, or
33 a similar association or corporation organized under the laws of

1 this or any other state, and engaged in making collective sales
2 or in the marketing of milk for the producers thereof, from
3 blending the net proceeds of its sales or consignments or
4 deliveries in all its markets or of its sales or deliveries
5 within any particular market in various classes and whether in
6 fluid form or as manufactured products, both within and without
7 the Commonwealth, and paying its producers such blended price,
8 with such deductions and differentials as may be authorized
9 under contract between such association or corporation, and its
10 producers, and with prior written approval of the board, or from
11 making collective sales of the milk of its members and other
12 producers represented by it, or from making such sales or
13 deliveries at a blended price based upon sales or deliveries
14 thereof in the various classes, and whether in fluid form or as
15 manufactured products, both within and without the Commonwealth,
16 which price is to be paid either directly to the producers or to
17 the cooperative agricultural association or corporation. Nothing
18 herein contained shall prevent any milk dealer or handler from
19 contracting for his milk with such cooperative agricultural
20 association or corporation, upon such basis; but all such
21 contracts shall be upon the basis of the prices fixed by the
22 board, with the result that the net price received for milk by
23 such cooperative association or corporation shall be
24 commensurate with such prices. No director or officer of a
25 cooperative association or corporation shall offer, nor shall
26 milk dealers or handlers, or agents thereof, receive from any
27 producer or from such cooperative association or corporation,
28 directly or indirectly, any discounts, rebates, free service, or
29 compensation through rentals, extension of credit, or otherwise
30 for the purpose or with the effect, of reducing the net cost to

1 the dealer or handler for milk purchased or received by or
2 through such cooperative association or corporation.

3 (b) No provision of this act shall be deemed or construed to
4 affect the contracts of such cooperative agricultural
5 association or corporation with its producers, except as
6 hereinafter specifically provided, nor to affect or abridge the
7 rights and powers of such an association or any of its
8 operations: Provided, however, That the powers of subpoena,
9 entry, and inspection, vested in the board under this act, shall
10 apply for the purpose of examining and auditing books and
11 records of any such cooperative agricultural association or
12 corporation, at reasonable intervals, for the purpose of
13 administering this act. This section shall not, however, be
14 construed to exempt such association or corporation from the
15 jurisdiction of the board over the prices at which it may sell
16 milk to milk dealers or handlers, stores or consumers[.] or from
17 the jurisdiction of the board over the collection and
18 distribution of board established premiums under section 312.

19 (c) Every cooperative agricultural association or
20 corporation operating under the provisions of this section shall
21 file with the board a copy of its certificate of incorporation
22 and by-laws, and a copy of each form of contract employed in its
23 relations with producers, within sixty (60) days after the
24 effective date of this act.

25 Section 4. This act shall take effect in 60 days.