

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out the title and substituting the following:

'An Act To Adjust the Levels of the State's Dairy Stabilization Program and To Prevent Price Gouging in the Sale of Milk'

Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Maine dairy industry is essential to the State's rural economy and communities, generates business activity and preserves open space; and

Whereas, the stabilization of the dairy industry during temporary price drops constitutes a public purpose and an appropriate expenditure of state revenues; and

Whereas, the tiered dairy stabilization program has been successful in curbing the loss of dairy farms in the State; and

Whereas, the target prices in the tiered program need to be revised to reflect updated cost-of-production studies; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,'

Amend the bill by striking out all of section 1 and inserting in its place the following:

'Sec. 1. 7 MRS §2954-D is enacted to read:

§ 2954-D. Excessive retail pricing

1. Definition. For the purposes of this section, "supermarket" means a retail store that has more than 30,000 square feet of floor space open to the public and is owned by a company owning more than 10 retail stores within the State.

2. Prohibition. A supermarket may not sell or offer to sell fluid milk for a price that exceeds 275% of the basic price of milk as defined in Title 36, section 4901.

3. Penalty. In addition to the provisions for injunction and civil penalties under section 2959, a person who violates subsection 2 is subject to a civil penalty that equals the amount by which the price exceeded 275% of the basic price of milk multiplied by the number of sales made by the supermarket at the prohibited price. The commission shall collect all penalties imposed under this subsection and deposit them in the Dairy Price Support Program Fund established under section 2964.

4. Exception. This section does not apply to sales of organic milk.'

Amend the bill by striking out all of sections 3 and 4 (page 1, lines 25 to 34 and page 2, lines 1 and 2 in L.D.) and inserting the following:

'**Sec. 3. 7 MRSA §3153-B, sub-§3,** as amended by PL 2005, c. 382, Pt. F, §34, is further amended to read:

3. Determination of target prices. The Maine Milk Commission shall establish 3 tiers of production, each representing a range of annual production. The commission shall use the most recent studies conducted in accordance with section 2952-A, subsection 3, paragraph A to estimate the short-run break-even point within each tier.

The Maine Milk Commission may establish and amend target prices through rulemaking. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 4. Interim target prices. Beginning July 1, 2007 and until the Maine Milk Commission updates the State's producer cost-of-production data and calculates new target prices in accordance with the Maine Revised Statutes, Title 7, section 3153-B, subsection 3, the target prices for milk producers in the State are as follows:

1. For the first 21,355 hundredweight produced per year by each producer, the target price is \$20.70 per hundredweight;

2. For production from 21,356 hundredweight to 49,079 hundredweight per year, the target price is \$18.07 per hundredweight; and

3. For production in excess of 49,079 hundredweight per year, the target price is \$17.29 per hundredweight.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment is the minority report. It changes the threshold for excessive retail pricing to be above 275% of the basic price of milk that is above the price received by farmers, instead of the 10% above the minimum retail price as in the bill. The prohibition on excessive pricing applies to retail stores meeting the definition of "supermarket." It removes proposed changes to the definition of "target price," authorizes the Maine Milk Commission to establish and amend target prices through major substantive rulemaking and, beginning July 1, 2007, establishes interim target prices that may be changed through adoption of major substantive rules.

FISCAL NOTE REQUIRED

(See attached)