

April 18, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2072

That the House recede from its amendments as printed on pages 1086 and 1087 of the Senate Journal and pages 1171-1173 of the House Journal and that Senate Bill No. 2072 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new subsection to section 4-30-01 and four new sections to chapter 4-30 of the North Dakota Century Code, relating to shared animal ownership agreements; to"

Page 1, line 1, after "sections" insert "4-30-36,"

Page 1, line 3, after "regulations" insert "; and to provide for a legislative management study"

Page 1, after line 9, insert:

**"SECTION 2.** A new subsection to section 4-30-01 of the North Dakota Century Code is created and enacted as follows:

"Shared animal ownership agreement" means any contractual arrangement under which an individual:

- a. Acquires an ownership interest in a milk-producing animal;
- b. Agrees to pay another for, reimburse another for, or otherwise accept financial responsibility for the care and boarding of the milk-producing animal at the dairy farm; and
- c. Is entitled to receive a proportionate share of the animal's raw milk production as a condition of the contractual arrangement.

**SECTION 3. AMENDMENT.** Section 4-30-36 of the North Dakota Century Code is amended and reenacted as follows:

**4-30-36. Standards for grade A milk and milk products - Adoption of amendments.**

1. Only grade A milk may be sold as fluid beverage for human consumption. The minimum standards for milk and milk products designated as grade A are the same as the minimum requirements of the Pasteurized Milk Ordinance which includes provisions from the "Grade A Condensed and Dry Milk Products and Condensed and Dry Whey - Supplement 1 to the Grade A PMO". The commissioner may adopt ~~as regulations~~ other standards in the interest of public safety, wholesomeness of product, consumer interest, sanitation, good supply, salability, and promotion of grade A milk and milk products.
2. It is not a violation of this section to transfer or obtain raw milk under a shared animal ownership agreement. However, a person may not resell raw milk or raw milk products obtained under a shared animal ownership agreement."

Page 2, after line 10, insert:

**"SECTION 7.** A new section to chapter 4-30 of the North Dakota Century Code is created and enacted as follows:

**Shared animal ownership agreement - Notification of commissioner.**

1. If during a calendar year the owner of a dairy farm licensed to sell grade A or manufacturing grade milk in this state enters or continues to participate in a shared animal ownership agreement, the owner shall notify the agriculture commissioner.
2. The notification must be in writing and must be submitted within thirty days after the conclusion of each calendar year.

**SECTION 8.** A new section to chapter 4-30 of the North Dakota Century Code is created and enacted as follows:

**Shared animal ownership agreement - Requirements.**

A person that transfers an animal's raw milk production in accordance with a shared animal ownership agreement does not violate this chapter provided:

1. The milk is transferred at the dairy farm where the milk-producing animal is located or delivered to another location in accordance with a shared animal ownership agreement;
2. The individual receiving the milk has entered a shared animal ownership agreement with the owner of the dairy farm and is receiving the milk on the individual's own behalf or on behalf of another who has entered a shared animal ownership agreement with the owner of the dairy farm;
3. The shared animal ownership agreement contains a prominent statement warning that:
  - a. The milk is not pasteurized;
  - b. Potential pathogens may be present in the milk; and
  - c. There are potential health concerns associated with the consumption of raw milk or raw milk products.
4. Annually, the owner of the dairy farm provides to individuals who have entered shared animal ownership agreements with the owner:
  - a. The standards used to ensure the health of the milk-producing animals that are part of the shared animal ownership agreement;
  - b. The standards used to ensure the production of milk;
  - c. The results of any tests performed on the milk-producing animals, together with an explanation of the test results; and
  - d. The results of any tests performed on the milk from the milk-producing animals, together with an explanation of the test results.

**SECTION 9.** A new section to chapter 4-30 of the North Dakota Century Code is created and enacted as follows:

**Shared animal ownership agreement - Prohibition.**

A person may not publish any statement that asserts or implies the approval or endorsement by the commissioner of shared animal ownership agreements and the acquisition of raw milk under such agreements.

**SECTION 10.** A new section to chapter 4-30 of the North Dakota Century Code is created and enacted as follows:

**Commissioner - Rulemaking authority - Limitation.**

Notwithstanding chapter 28-32, the commissioner may not adopt any rule that restricts, limits, or imposes additional requirements on any individual transferring or obtaining raw milk in accordance with the terms of a shared animal ownership agreement.

**SECTION 11. LEGISLATIVE MANAGEMENT STUDY - RAW MILK.** During the 2013-14 interim, the legislative management shall consider studying the availability of raw or unpasteurized milk, for human consumption, in this state. The study should examine the nature and extent of governmental oversight with respect to the safety of the milk; the health of the animals used to produce the milk; and the conditions under which the product is produced, transferred, or obtained. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly