Definitions for KRS 260.775 to 260.845. (Effective January 1, 2001)

As used in KRS 260.775 to 260.845, unless the context requires otherwise:

1) "Board" means the Kentucky Milk Handlers Advisory Board;

2) "Buy" means the receiving of milk from producers or their agents and paying for the milk on
   the basis of volume and test, or weight and test;

3) "Director" means the director of the Agricultural Experiment Station, College of Agriculture,
   University of Kentucky, or his or her designee;

4) "Handler" means any person who receives, bargains, brokers, or issues payment for or
   purchases milk from Kentucky permitted producers or the permitted producers' agents;

5) "Laboratory" means the location or work area where milk analysis or testing takes place;

6) "Laboratory license" means the license issued to a milk laboratory;

7) "License to handle" means the license issued to a handler of milk;

8) "License to sample and weigh" means the license issued to a milk sampler-weigher;

9) "License to test" means the license issued to a milk tester;

10) "Location" means each separate business place where permitted producers' milk or milk
    samples are received, stored, or processed, or where records pertaining to permitted
    producers' milk tests or payments are kept;

11) "Milk" means the lacteal secretion and all of its components, obtained by the milking of
    animals;

12) "Milk importer" means any person who delivers milk from producers outside the
    Commonwealth of Kentucky to processors in this state;

13) "Milk processor" means any location where milk or milk products are collected, handled,
    processed, stored, pasteurized, bottled, or prepared for distribution by a milk handler;

14) "Milk receiving station" means any location where producers' raw farm milk is collected,
    handled, or stored by a milk handler;

15) "Permitted producer" means any producer issued a permit by the Kentucky Cabinet for
    Health Services to offer milk for sale;

16) "Person" shall mean any individual, bargaining agent, broker, processor, milk plant
    operator, partnership, cooperation, concern, corporation, organization, company, firm,
    trustee, association, or agent thereof;

17) "Producer" means any person keeping animals for the production of milk;

18) "Record" means any information relating to milk weights, tests, transfers, purchases,
    receipts, and sales;

19) "Sampler-weigher" means any person who samples, weighs, or measures milk from
    producers and submits these samples, weights, or measurements for use in determining
    the price paid for milk;

20) "Test" means to analyze a milk sample to determine the amount of a milk component or to
    determine milk quality;

21) "Tester" means any person who tests milk from permitted producers to determine its
    components or quality, or submits these tests for use in determining the price paid for milk;

22) "Transfer station" means any location where farm bulk milk is transferred directly from one
    tank to another and producers' milk samples are collected, handled, stored, and
    transported to a laboratory for analysis; and
(23) "Transfer station license" means the license issued to operate a transfer station.

**Effective:** January 1, 2001


(1) The requirements and prohibitions of KRS 260.775 to 260.845 shall not apply to persons who buy milk for their own consumption.

(2) It is unlawful for any person who is not licensed under KRS 260.775 to 260.845 to transact business with a permitted producer of this state.

**Effective:** January 1, 2001


**260.780 Prohibited handling practices. (Effective January 1, 2001)**

It shall be unlawful for a handler of milk in this state to:

(1) Receive or buy milk from permitted producers or their agents without obtaining a license for each location where milk is received or handled;

(2) Receive milk that is paid for on the basis of weight or volume without having it sampled and weighed or measured by a licensed sampler-weigher;

(3) Manipulate weights, measurements, or tests that are to be used as a basis to purchase milk;

(4) Use false or incorrect records of weights or tests as a basis for payment;

(5) Receive milk purchased from permitted producers by a milk handler that does not have a license to handle;

(6) Use weighing, mixing, sampling, or testing equipment which is inaccurate or nonstandard;

(7) Fail to comply with administrative regulations for weighing, measuring, sampling, and testing milk issued by the director;

(8) Fail to keep records of weights and tests as required by administrative regulation or fail to make such records available for inspection by the director;

(9) Receive milk which is paid for on the basis of tests without having it tested by a licensed tester;

(10) Fail to notify the director in writing of any knowledge of an inaccurately calibrated bulk milk tank; or

(11) Hinder or obstruct any authorized person in the performance of his or her duties under KRS 260.775 to 260.845.

**Effective:** January 1, 2001

260.783 Prohibited actions of owner or operator of a laboratory. (Effective January 1, 2001)

It shall be unlawful for any owner or operator of any laboratory to;
(1) Operate a laboratory without having a laboratory license;
(2) Fail to comply with administrative regulations promulgated by the director for the proper transporting, handling, storage, and testing of permitted producers' milk samples;
(3) Manipulate, substitute, or falsify any producer's milk samples, test results, or records;
(4) Test milk samples from permitted producers that were not obtained by licensed sampler-weighers;
(5) Employ, engage, or obtain the services of a person to test permitted producers' milk samples who does not have a license to test; or
(6) Hinder or obstruct any authorized person in the performance of his or her duties under KRS 260.775 to 260.845.

Effective: January 1, 2001

260.785 Prohibited sampling and weighing practices. (Effective January 1, 2001)

It shall be unlawful for any milk sampler-weigher to:
(1) Sample, weigh, or measure milk from bulk milk tanks without obtaining a license to sample and weigh;
(2) Inaccurately sample, weigh, or measure milk;
(3) Fail to comply with administrative regulations promulgated by the director for the proper sampling, weighing, or measuring of milk and handling, storage, and transportation of permitted producers' milk samples;
(4) Employ, engage, or obtain the services of a person who does not have a sampler-weigher license to sample and weigh milk;
(5) Manipulate or falsify any producer weights, records, or samples for testing;
(6) Fail to notify the director in writing of any knowledge of inaccurately calibrated bulk milk tanks; or
(7) Hinder or obstruct any authorized person in the performance of his or her duties under KRS 260.775 to 260.845.

Effective: January 1, 2001

260.790 Prohibited testing practices. (Effective January 1, 2001)

It shall be unlawful for any milk tester to:
(1) Test milk bought from permitted producers without obtaining a license to test;
(2) Inaccurately test producers' milk samples;
(3) Use inaccurate, nonstandard, or improperly calibrated equipment in testing milk;
(4) Manipulate or falsify tests or records;
(5) Fail to comply with administrative regulations promulgated by the director for proper sampling, weighing, or testing of milk; or
260.793 Unlawful practices for owner or operator of transfer station. (Effective January 1, 2001)

It shall be unlawful for any owner or operator of any transfer station to:

1. Operate a transfer station without having a transfer station license;
2. Fail to comply with administrative regulations promulgated by the director for the proper storage, handling, and transport of producers' milk samples while at the transfer station and en route to the testing laboratory;
3. Manipulate, substitute, or falsify any producer milk weights or milk samples;
4. Transfer milk, samples, or records at a transfer station without having a current sampler-weigher's license;
5. Transfer milk that has not been sampled and weighed at the farm by a licensed sampler-weigher;
6. Fail to notify the director in writing of any knowledge of an inaccurately calibrated bulk milk tank; or
7. Hinder or obstruct any authorized person in the performance of his or her duties under KRS 260.775 to 260.845.

Effective: January 1, 2001

260.795 License to handle. (Effective January 1, 2001)

Each location that handles permitted producers' milk in accordance with KRS 260.775 to 260.845 shall obtain a license to handle from the director. Application for a license to handle shall be made to the director. The license fee provided for in KRS 260.815 shall accompany the application. Each licensee shall notify the director, in writing, within thirty (30) days of a change of address.

Effective: January 1, 2001

260.797 Licensing of laboratory locations. (Effective January 1, 2001)

Each laboratory location where permitted producers' milk is tested shall be licensed. Application for a license shall be made to the director. The license fee provided for in KRS 260.815 shall accompany the application. Each licensee shall notify the director, in writing, within thirty (30) days of a change of address.

Effective: January 1, 2001
260.800  License to test.  (Effective January 1, 2001)

Each person who tests milk from permitted producers shall obtain a license to test. Application for a license shall be made to the director. The license fee provided for in KRS 260.815 shall accompany the application. All applicants shall demonstrate their proficiency in testing by satisfactorily passing an examination prescribed by the director. Prior to taking an examination for a license, an applicant shall obtain a temporary license. Each licensee shall notify the director, in writing, within thirty (30) days of a change of address.

Effective:  January 1, 2001


260.805  License to sample and weigh.  (Effective January 1, 2001)

Each person who samples and weighs milk from permitted producers shall obtain a license to sample and weigh. Application for a license shall be made to the director. The license fee provided for in KRS 260.815 shall accompany the application. Applicants who sample and weigh milk from permitted producers shall attend formal training and satisfactorily pass an examination prescribed by the director. Prior to taking an examination for a license, an applicant shall obtain a temporary license. Each licensee shall notify the director, in writing, within thirty (30) days of a change of address.

Effective:  January 1, 2001


260.807  Licensing of transfer station locations.  (Effective January 1, 2001)

Each transfer station location where permitted producers’ milk is handled shall be licensed. Application for a license shall be made to the director. The license fee provided for in KRS 260.815 shall accompany the application. Each licensee shall notify the director, in writing, within thirty (30) days of a change of address.

Effective:  January 1, 2001


260.809  Requirements for milk importers.  (Effective January 1, 2001)

All milk importers who deliver milk to processors in this state shall be licensed or permitted to sample and weigh milk by the state from which the milk originated and shall comply with KRS 260.775 to 260.845.

Effective:  January 1, 2001


260.811 Records to be kept by licensees. (Effective January 1, 2001)

(1) Every licensee shall keep complete records, as defined in KRS 260.775, for a period of two (2) years.
(2) Each licensed location shall keep records of all its transactions at the location.
(3) All records shall be accessible for inspection by the director during customary business hours.

Effective: January 1, 2001

260.813 Reports of milk handlers and laboratories -- Divulging of information. (Effective January 1, 2001)

(1) Each milk handler and laboratory shall, as required by the director, make and file reports for all matters of which a record is required to be kept.
(2) No information furnished to the director under this section shall be disclosed in a way to divulge the operation of any person.
(3) It shall be unlawful for any person to use to his own advantage, or reveal to a person other than the director, officers of the Kentucky Agricultural Experiment Station, or the courts when relevant in any judicial proceedings, any information acquired under the authority of KRS 260.775 to 260.845, concerning any method, records, formulations, processes, or financial information which as a trade secret is entitled to protection.
(4) This prohibition shall not be deemed as prohibiting the director, or his duly authorized agent, from exchanging information of a regulatory nature with duly appointed officials of the United States government, or of other states, who are similarly prohibited by law from revealing this information.

Effective: January 1, 2001

260.815 License fees. (Effective January 1, 2001)

The license fees to be paid for respective licenses provided for in KRS 260.795, 260.800, and 260.805 shall be per year or any portion of a year with the license year commencing July 1 and ending June 30. No license may be transferred or assigned. The license fees shall be as follows:

(1) License to handle: For each location:
   (a) One hundred twenty-five dollars ($125) per license for those handling less than ten million (10,000,000) pounds of milk during the past year; or
   (b) Three hundred fifty dollars ($350) per license for those handling more than ten million (10,000,000) pounds of milk during the past year.
(2) License to test: fifteen dollars ($15) per person for a temporary license or an annual license.
(3) License to sample and weigh: fifteen dollars ($15) per person for a temporary license or an annual license.
(4) Transfer station license: twenty-five dollars ($25) annually.
(5) Laboratory license: twenty-five dollars ($25) annually.
6) License fees for renewal of licenses that are due and have not been remitted to the director within thirty (30) days following the expiration date shall be assessed a penalty fee prescribed in KRS 260.992. Assessment of this penalty fee shall not prevent the director from taking other actions under KRS 260.775 to 260.845.

Effective: January 1, 2001


260.821 Inspection fee -- Statements and records -- Penalties for late fees. (Effective January 1, 2001)

(1) For the financing of the producers' share of this program, all handlers who issue payments to Kentucky permitted producers shall deduct an inspection fee at the rate of one-half cent ($0.005) per hundredweight from the producer's payment and shall transfer these funds to the director.

(a) The deduction shall be identified as "Inspection Fee."

(b) Each handler shall file on forms approved by the director, not later than the last day of January, April, July, and October of each year, a quarterly statement, setting forth the pounds of milk on which payment was issued to permitted producers during the preceding calendar quarter, and upon filing the statement shall transfer the inspection fee payment.

(c) Each handler shall keep the records required by the director to accurately indicate the amount of milk for which payments were issued to permitted producers.

(2) For the financing of the processors' share of this program, handlers shall pay to the director an inspection fee at the rate of one-half cent ($0.005) per hundredweight on all milk received by processor locations in Kentucky.

(a) Each handler shall file on forms approved by the director, not later than the last day of January, April, July, and October of each year, a quarterly statement, setting forth the pounds of all milk received by processor locations in Kentucky during the preceding calendar quarter, and upon filing the statement shall make the inspection fee payment.

(b) Each handler shall keep the records required by the director to accurately indicate the amount of milk delivered to or received by processor locations in Kentucky.

(c) This fee shall not in any way be passed back to producers. If the fee is found to have been passed back to producers, violators may be penalized as set forth in KRS 260.992, along with other actions that may be taken by the director under KRS 260.775 to 260.845.

(3) Inspection fees that are due and have not been remitted to the director within fifteen (15) days following the due date shall be assessed a penalty fee as set forth in KRS 260.992. Assessment of this penalty fee shall not prevent the director from taking other actions under KRS 260.775 to 260.845.

(4) Fees collected shall be used to help pay for a portion of the costs of inspection, analysis, and other expenses necessary for the administration of KRS 260.775 to 260.845.

Effective: January 1, 2001

260.823 Calibration of bulk milk tanks. (Effective January 1, 2001)

Permitted producers' bulk milk tanks shall be accurately calibrated upon installation. Bulk milk tank calibrations shall be evaluated for accuracy after January 1, 2001, by the Kentucky Department of Agriculture or at the request of the director or the permitted producer.

Effective: January 1, 2001


260.825 Enforcement of KRS 260.775 to 260.845 -- Authority to promulgate administrative regulations. (Effective January 1, 2001)

(1) The director shall enforce, administer, and implement the provisions of KRS 260.775 to 260.845 through the promulgation of administrative regulations in accordance with KRS Chapter 13A.

(2) For the purpose of the enforcement of KRS 260.775 to 260.845, the director is authorized during normal business hours to enter any public or private premises, including any vehicle of transport, for the purpose of obtaining samples, gaining access to milk, milk samples, and records pertaining to milk handling, milk weights, milk test results, and milk payments. The director may:

(a) Collect samples obtained by sampler-weighers or testers for inspection purposes;
(b) Inspect equipment and other devices used in testing or sampling and weighing milk to determine the accuracy of this equipment and devices. Accuracy may be determined by requiring sampler-weighers and testers to operate equipment and devices to determine the accuracy of equipment, devices, and procedures;
(c) Condemn inaccurate or improperly operating equipment; and
(d) Examine and copy records and take testimony for the purpose of ascertaining facts necessary to administer KRS 260.775 to 260.845.

(3) At the request of producers, processors, handlers, sampler-weighers, or testers, the director may test for milk components or other tests of milk quality.

(4) The director shall employ qualified persons to assist in the enforcement of KRS 260.775 to 260.845.

(5) The director shall establish and maintain milk-testing facilities to determine if milk has been sampled, weighed, and tested correctly. The testing facility established shall be officially named the "Division of Regulatory Services Dairy Laboratory." The director shall, with approval of the board of trustees of the University of Kentucky, fix the salaries of the analysts, inspectors, and supporting staff.

(6) The director shall cooperate with other federal, state, and local enforcement agencies.

Effective: January 1, 2001


260.830 Director's power to suspend or revoke license -- Hearings -- Appeals. (Effective January 1, 2001)

(1) The director may refuse, revoke, suspend, or probate any license or temporary license issued under authority of KRS 260.775 to 260.845; provided, however, that any refusal, revocation, suspension, or probation shall occur only when the licensee has failed to comply with the provisions of KRS 260.775 to 260.845 or the administrative regulations
issued thereunder, and provided that any refusal, revocation, suspension, or probation
shall occur only after the licensee has had an opportunity, upon due notice, for an informal
hearing before the director, to show cause why the license or temporary license should not
be refused, revoked, suspended, or probated.

(2) The director may refuse, revoke, suspend, or probate any license or temporary license of a
person who has pled guilty to or been convicted of a felony.

(3) If a license is refused, revoked, suspended, or probated as the result of an informal
hearing, the decision may be appealed and upon appeal an administrative hearing shall be
conducted before the board in accordance with KRS Chapter 13B.

(4) The licensee may appeal the final order of the director by filing a petition in the Fayette
Circuit Court in accordance with KRS Chapter 13B.

Effective: January 1, 2001


260.840 Kentucky Milk Handlers Advisory Board. (Effective January 1, 2001)

(1) The Kentucky Milk Handlers Advisory Board shall consist of:
(a) The coordinator of the dairy section of the Animal Science Department at the
University of Kentucky, College of Agriculture;
(b) The chair of the dairy committee of the Kentucky Farm Bureau Federation;
(c) The branch manager of the Milk Safety Branch of the Cabinet for Health Services;
(d) Three (3) permitted producers or permitted producer representatives;
(e) Two (2) processors or processor representatives;
(f) One (1) sampler-weigher or sampler-weigher representative; and
(g) One (1) tester or tester representative.

The coordinator of the dairy section of the Animal Science Department at the University of
Kentucky, College of Agriculture shall act as chair of the board.

(2) The director, or his designated representative, shall be an ex officio member and secretary
to the board.

(3) (a) Each permitted producer shall be appointed by the director from a list of two (2)
persons nominated by the dairy committee of the Kentucky Farm Bureau Federation.
If a permitted producer becomes chair of the dairy committee of the Kentucky Farm
Bureau Federation during his or her term, the dairy committee shall appoint an
alternate to serve the remainder of the term of the permitted producer.
(b) Each processor shall be appointed by the director from a list of two (2) persons
ominated by the executive committee of the Dairy Products Association of
Kentucky. If a processor becomes president of the Dairy Products Association of
Kentucky during his or her term, the executive committee shall appoint an alternate
to serve the remainder of the term of the processor.
(c) The sampler-weigher and tester shall be at-large appointees and shall be appointed
by the director.

(4) Appointments to the board shall be for a term of three (3) years, or until their successors
are appointed, except that the terms of office of the members first appointed shall be as
follows: two (2) members shall be appointed for one (1) year, two (2) members shall be
appointed for two (2) years, and three (3) members shall be appointed for three (3) years.
The respective terms of the first members shall be designated by the director at the time of
their appointment. No appointed board member shall serve more than two (2) consecutive

terms.

(5) Board members not already employed by the state shall be compensated at the rate of one

hundred dollars ($100) per day for board service and be reimbursed for any actual expense

incurred while performing board duties.

Effective: January 1, 2001


260.842 Meetings of board -- Advice to director. (Effective January 1, 2001)

(1) The board shall meet once annually, or when called into session by the chair, or upon the

request of the director, or upon the request of any two (2) or more members of the board.

Six (6) members present at a meeting shall constitute a quorum.

(2) The board shall advise the director concerning policy and programs necessary to

implement or improve implementation of KRS 260.775 to 260.845.

Effective: January 1, 2001


260.845 Fees and other receipts constitute special fund. (Effective January 1, 2001)

(1) All funds resulting from the payment of license fees, inspection fees, fines, penalty fees, or

other charges provided for in KRS 260.775 to 260.845 shall be paid to the director and

shall be expended by the director under authority of the board of trustees of the University

of Kentucky.

(2) This money shall be used primarily for discharging expenses incurred in enforcing KRS

260.775 to 260.845 and any portion of the money not necessary for this purpose shall be

used to support research pertaining to methods and equipment for sampling and testing

dairy products or such other dairy research work as the director may recommend.

Effective: January 1, 2001


260.8451 Short title for KRS 260.775 to 260.845. (Effective January 1, 2001)

KRS 260.775 to 260.845 shall be known as the "Kentucky Farm Milk Handlers Law."

Effective: January 1, 2001


260.992 Penalties. (Effective January 1, 2001)

(1) Any person who violates any provision of KRS 260.785, 260.790, 260.800, 260.805, or

260.809 shall be fined one hundred dollars ($100) for the first violation and not less than

one hundred dollars ($100) nor more than five hundred dollars ($500) for each subsequent

violation.

(2) Any person who violates any provision of KRS 260.777, 260.780, 260.783, 260.793,

260.795, 260.797, 260.807, 260.820, or 260.821(2)(c) shall be fined not more than five
hundred dollars ($500), nor more than seven hundred fifty dollars ($750) for each subsequent violation.

(3) Any person who violates any provision of KRS 260.815 shall be assessed a penalty fee of a minimum of fifteen dollars ($15) or ten percent (10%) of the amount due, whichever is greater, when payment is made.

(4) Any person who violates any provision of KRS 260.821(3) shall be assessed a penalty fee of a minimum of twenty-five dollars ($25) or ten percent (10%) of the amount due, whichever is greater, when payment is made.

Effective: January 1, 2001