

A-Engrossed
Senate Bill 118

Ordered by the Senate April 28
Including Senate Amendments dated April 28

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Allows State Department of Agriculture to adopt rules to establish license fees for certain food-related establishments and occupations. Imposes limitations on timing and amount of fees established by rule. Applies to fees charged for licensing periods beginning on or after July 1, [2011] **2012**. Continues existing statutory fees until adoption of fees by rule.

[Allows department to charge fees for services provided in connection with licenses for certain food-related establishments and occupations.]

[Declares emergency, effective on passage.]

A BILL FOR AN ACT

1
2 Relating to State Department of Agriculture food safety fees; creating new provisions; and amending
3 ORS 603.025, 603.031, 603.200, 616.706, 616.708, 619.031, 621.072, 621.078, 621.166, 621.169, 625.030,
4 625.055, 625.090, 625.180, 628.240, 632.720, 632.741 and 635.030.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 603.025 is amended to read:

7 603.025. (1) A person may not sell, offer to sell or expose for sale meat products or engage in
8 any other activity described or identified in subsection (4) of this section without first obtaining and
9 maintaining a license [*therefor*] **for that activity** from the State Department of Agriculture. All such
10 licenses shall expire on June 30 next following the date of issuance or on such date as may be
11 specified by department rule. Renewal applications must be postmarked before the expiration date
12 to be timely.

13 (2) Application for a license required by this section shall be made to the department on forms
14 prescribed by the department[, *which*] **and** shall contain any information the department deems
15 necessary. The license is personal and nontransferable, with a separate license required for each
16 establishment location. A new license is required each time there is a change in ownership, legal
17 entity or establishment location.

18 (3) In addition to other license requirements of this section, if an applicant for a license under
19 subsection (4)(c) of this section has an average weekly dollar value of meat animal purchases that
20 exceeds \$10,000, the applicant shall submit with the application a surety bond with one or more
21 corporate sureties authorized to do business in this state, or an irrevocable letter of credit issued
22 by an insured institution, as defined in ORS 706.008. The bond or letter of credit shall be in an
23 amount equal to twice the average daily value of meat animal purchases during the preceding cal-
24 endar year, or the amount of \$20,000, whichever amount is greater. The department shall prescribe

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 the form for *[and approve]* the bond or letter of credit.*[, which shall]* **A bond or letter of credit is**
2 **subject to department approval and must** be conditioned upon faithful performance by the
3 licensee of all obligations to the producers of meat animals arising from the sale of meat animals
4 by producers to the licensee.

5 (4) Each of the following activities *[shall]* **must** be licensed, and the fee established by the de-
6 partment paid with the **license** application *[therefor]*:

7 (a) Operation of a meat seller establishment. A license under this section allows only the meat
8 products preparation described in ORS 603.010 (8).

9 (b) Operation of a nonslaughtering processing establishment. A license under this section allows
10 selling meat products at the same location without obtaining the license described in paragraph (a)
11 of this subsection.

12 (c) Operation of a slaughterhouse. A license under this section allows selling meat products at
13 the same location without obtaining the license described in paragraph (a) of this subsection.

14 (d) Operation of a custom slaughtering establishment or custom processing establishment. A li-
15 cense under this section does not allow selling meat products without first obtaining and maintain-
16 ing the license described in paragraph (a) of this subsection.

17 (e) Operation of a slaughterhouse, custom slaughtering establishment or custom processing es-
18 tablishment wherein only poultry or rabbits are slaughtered or prepared. A license under this sec-
19 tion allows selling only poultry or rabbit products at the same location without obtaining the license
20 described in paragraph (a) of this subsection.

21 (5) The license required by this section shall be displayed at all times in a conspicuous manner
22 at the address shown on the license.

23 *[(6) Except as provided in subsection (7) of this section, the license fees for establishments under*
24 *this section are:]*

25 *[(a) \$216 if the establishment's annual gross dollar volume of sales and services is not more than*
26 *\$50,000;]*

27 *[(b) \$271 if the establishment's annual gross dollar volume of sales and services is more than*
28 *\$50,000 and not more than \$500,000;]*

29 *[(c) \$325 if the establishment's annual gross dollar volume of sales and services is more than*
30 *\$500,000 and not more than \$1 million;]*

31 *[(d) \$487 if the establishment's annual gross dollar volume of sales and services is more than \$1*
32 *million and not more than \$5 million;]*

33 *[(e) \$541 if the establishment's annual gross dollar volume of sales and services is more than \$5*
34 *million and not more than \$10 million; or]*

35 *[(f) \$704 if the establishment's annual gross dollar volume of sales and services is more than \$10*
36 *million.]*

37 *[(7) If the establishment sells only prepackaged meats packaged at a facility inspected by the United*
38 *States Department of Agriculture, the following license fee amounts shall apply instead of the fee es-*
39 *tablished in subsection (6)(a) of this section:]*

40 *[(a) \$108 if the establishment's annual gross dollar volume of sales and services is not more than*
41 *\$5,000; or]*

42 *[(b) \$162 if the establishment's annual gross dollar volume of sales and services is more than*
43 *\$5,000 and not more than \$50,000.]*

44 **[(8)] (6) The department may adopt rules establishing license fee schedules for establish-**
45 **ments licensed under this section. The department may determine the license fee for an es-**

1 **establishment based upon the annual gross dollar volume of sales and services by the applicant.**

2 In establishing the amount of the license fee for an establishment, the State Department of Agriculture shall use the annual gross dollar volume of sales and services by that establishment within
3 Oregon during the prior calendar year or, if the establishment maintains sales and service records
4 on a fiscal basis, the prior fiscal year. If the establishment applying for an original license or for a
5 renewal license cannot provide the annual gross dollar volume of sales and services for a full calendar
6 year, the department shall base the fee on estimated annual gross sales and services by the
7 establishment. If an establishment whose previous year's fee was determined using an estimated
8 gross sales and services figure applies for renewal of that license, the fee for the previous license
9 year shall be adjusted to reflect the actual annual gross dollar volume of sales and services by the
10 establishment.
11

12 **(7) Except as provided in this subsection, the department may not adopt a rule under this**
13 **section to establish a license fee that is more than three percent higher than the license fee**
14 **charged during the preceding year for an establishment of the same type and having the**
15 **same volume of gross sales and services. When adopting a rule establishing a license fee,**
16 **notwithstanding the three percent limit the department may round the fee amount to the**
17 **next highest whole dollar amount. Fee schedules adopted under this section may not change**
18 **the amount of the same license fee more frequently than once each year.**

19 **SECTION 2. (1) Notwithstanding the amendments to ORS 603.025 by section 1 of this 2011**
20 **Act, the license fee amounts authorized by ORS 603.025 as set forth in the 2009 Edition of**
21 **Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain in**
22 **effect until superseded by license fees established by State Department of Agriculture rules.**

23 **(2) The department shall adopt initial rules establishing license fees under ORS 603.025**
24 **to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing**
25 **license fees under ORS 603.025, the license fees authorized by ORS 603.025 as set forth in the**
26 **2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011 Act**
27 **are deemed to be the license fees charged during the year preceding adoption of the rule.**

28 **SECTION 3. ORS 616.706 is amended to read:**

29 616.706. (1) Except as otherwise provided in ORS 616.695 to 616.755, a person may not operate
30 a food establishment without first obtaining and thereafter maintaining a license under this section.
31 A person shall make an application for a license to the State Department of Agriculture on forms
32 prescribed by the department. Each license shall expire on June 30 next following the date of issuance
33 or on such date as may be specified by department rule.

34 (2) The department may, subject to the applicable provisions of ORS chapter 183, suspend, revoke
35 or refuse to issue a license if the licensee has violated any of the provisions of ORS 616.695
36 to 616.755 or rules adopted under ORS 616.695 to 616.755.

37 (3) A license is personal to the applicant and may not be transferred. A new license is necessary
38 if the business entity of the licensee is changed, or if the membership of a partnership is changed,
39 irrespective of whether or not the business name is changed.

40 (4) The license shall cover all operations of the person licensed, under one entity or ownership.
41 With prior approval of the department, the location of a licensed food establishment, or any part
42 of a licensed food establishment, may be moved without the requirement of a new license if there
43 is no change in the ownership or business entity.

44 (5) The license shall be posted in a conspicuous place in the main office of the food establishment.
45 Duplicate copies of the license shall be conspicuously posted in branch offices, warehouses

1 and other places owned or operated by the licensee at locations other than the main office. A license
2 is automatically canceled if the food establishment ceases or discontinues operations or business.

3 [(6) *The license fee for a food establishment that is part of a domestic kitchen is \$189.*]

4 [(7) *The license fees for a food establishment other than an establishment that is part of a domestic
5 kitchen, or other than a retail food store or a warehouse, are:*]

6 [(a) *\$325 if the gross sales of an applicant's covered operations are not more than \$50,000;*]

7 [(b) *\$460 if the gross sales of an applicant's covered operations are more than \$50,000 and not more
8 than \$500,000;*]

9 [(c) *\$541 if the gross sales of an applicant's covered operations are more than \$500,000 and not
10 more than \$1 million;*]

11 [(d) *\$704 if the gross sales of an applicant's covered operations are more than \$1 million and not
12 more than \$5 million;*]

13 [(e) *\$812 if the gross sales of an applicant's covered operations are more than \$5 million and not
14 more than \$10 million; or*]

15 [(f) *\$920 if the gross sales of an applicant's covered operations are more than \$10 million.*]

16 [(8) *The food establishment license fees for a retail food store, as defined by the department by rule,
17 are:*]

18 [(a) *\$135 if the gross sales of an applicant's covered operations are not more than \$50,000;*]

19 [(b) *\$271 if the gross sales of an applicant's covered operations are more than \$50,000 and not more
20 than \$500,000;*]

21 [(c) *\$325 if the gross sales of an applicant's covered operations are more than \$500,000 and not
22 more than \$1 million;*]

23 [(d) *\$487 if the gross sales of an applicant's covered operations are more than \$1 million and not
24 more than \$5 million;*]

25 [(e) *\$595 if the gross sales of an applicant's covered operations are more than \$5 million and not
26 more than \$10 million; or*]

27 [(f) *\$704 if the gross sales of an applicant's covered operations are more than \$10 million.*]

28 [(9) *The food establishment license fees for a warehouse, as defined by the department by rule,
29 are:*]

30 [(a) *\$108 if the gross sales of an applicant's covered operations are not more than \$50,000;*]

31 [(b) *\$135 if the gross sales of an applicant's covered operations are more than \$50,000 and not more
32 than \$10 million; or*]

33 [(c) *\$162 if the gross sales of an applicant's covered operations are more than \$10 million.*]

34 **(6) The department may adopt rules establishing license fee schedules for a food estab-
35 lishment:**

36 **(a) That is part of a domestic kitchen;**

37 **(b) That is a retail food store;**

38 **(c) That is a warehouse; or**

39 **(d) That is other than part of a domestic kitchen, retail food store or warehouse.**

40 **[(10)] (7) The department may determine the license fee for a food establishment de-
41 scribed in subsection (6)(b) to (d) of this section based upon the gross sales by the applicant.**

42 In establishing the amount of [*the license fee for an applicant*] **a license fee based upon gross sales**
43 **by an applicant**, the department shall use the annual gross dollar volume of sales of covered oper-
44 ations by that applicant within Oregon during the prior calendar year or, if the applicant maintains
45 sales records on a fiscal basis, the prior fiscal year. If the applicant applying for an original license

1 or for a renewal license cannot provide the annual gross dollar volume of sales of covered oper-
 2 ations for a full calendar year, the department shall base the fee on estimated annual gross sales
 3 of covered operations by the applicant. If an applicant whose previous year's fee was determined
 4 using an estimated gross sales of covered operations figure applies for renewal of that license, the
 5 fee for the previous license year shall be adjusted to reflect the actual gross dollar volume of sales
 6 of covered operations by the applicant.

7 **(8) Except as provided in this subsection, the department may not adopt a rule under this**
 8 **section to establish a license fee that is more than three percent higher than the license fee**
 9 **charged during the preceding year for a food establishment of the same type and having the**
 10 **same volume of gross sales. When adopting a rule establishing a license fee, notwithstanding**
 11 **the three percent limit the department may round the fee amount to the next highest whole**
 12 **dollar amount. License fee schedules adopted under this section may not change the amount**
 13 **of the same license fee more frequently than once each year.**

14 **SECTION 4.** (1) Notwithstanding the amendments to ORS 616.706 by section 3 of this 2011
 15 Act, the license fee amounts authorized by ORS 616.706 as set forth in the 2009 Edition of
 16 Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain in
 17 effect until superseded by license fees established by State Department of Agriculture rules.

18 (2) The department shall adopt initial rules establishing license fees under ORS 616.706
 19 to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing
 20 license fees under ORS 616.706, the license fees authorized by ORS 616.706 as set forth in the
 21 2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011 Act
 22 are deemed to be the license fees charged during the year preceding adoption of the rule.

23 **SECTION 5.** ORS 619.031 is amended to read:

24 619.031. (1) A person may not operate an animal food slaughtering establishment or processing
 25 establishment without first obtaining a license [*therefor*] **for the establishment** from the State De-
 26 partment of Agriculture.

27 [(2) *The license fees for an animal food slaughtering establishment or processing establishment*
 28 *are:*]

29 [(a) *\$216 if the establishment's annual gross dollar volume of sales and services is not more than*
 30 *\$50,000;*]

31 [(b) *\$271 if the establishment's annual gross dollar volume of sales and services is more than*
 32 *\$50,000 and not more than \$500,000;*]

33 [(c) *\$325 if the establishment's annual gross dollar volume of sales and services is more than*
 34 *\$500,000 and not more than \$1 million;*]

35 [(d) *\$487 if the establishment's annual gross dollar volume of sales and services is more than \$1*
 36 *million and not more than \$5 million;*]

37 [(e) *\$541 if the establishment's annual gross dollar volume of sales and services is more than \$5*
 38 *million and not more than \$10 million; or*]

39 [(f) *\$704 if the establishment's annual gross dollar volume of sales and services is more than \$10*
 40 *million.*]

41 [(3)] (2) **The department may adopt rules establishing license fee schedules for establish-**
 42 **ments licensed under this section. The department may determine the license fee for an es-**
 43 **tablishment based upon the annual gross dollar volume of sales and services by the applicant.**
 44 In establishing the amount of the license fee for an applicant, the department shall use the annual
 45 gross dollar volume of sales and services by that applicant within Oregon during the prior calendar

1 year or, if the applicant maintains sales and service records on a fiscal basis, the prior fiscal year.
 2 If the applicant applying for an original license or for a renewal license cannot provide the annual
 3 gross dollar volume of sales and services for a full calendar year, the department shall base the fee
 4 on estimated annual gross sales and services by the applicant. If an applicant whose previous year's
 5 fee was determined using an estimated gross sales and services figure applies for renewal of that
 6 license, the fee for the previous license year shall be adjusted to reflect the actual gross dollar
 7 volume of sales and services by the applicant. The license shall expire on June 30 next following the
 8 date of issuance or on such date as may be specified by department rule.

9 **(3) Except as provided in this subsection, the department may not adopt a rule to es-**
 10 **tablish a license fee that is more than three percent higher than the license fee charged**
 11 **during the preceding year for an establishment of the same type and having the same volume**
 12 **of gross sales and services. When adopting a rule establishing a license fee, notwithstanding**
 13 **the three percent limit the department may round the fee amount to the next highest whole**
 14 **dollar amount. Fee schedules adopted under this section may not change the amount of the**
 15 **same license fee more frequently than once each year.**

16 (4) The provisions of ORS 603.025 (2) and (5), 603.034 (1) and (2), 603.045 (7) and 603.075 shall
 17 apply to animal food slaughtering establishments or processing establishments. Except as provided
 18 in this subsection, the remainder of the provisions of ORS chapter 603 do not apply to such estab-
 19 lishments.

20 (5) Notwithstanding subsection (1) of this section, a person licensed by the department under
 21 ORS chapter 603 to slaughter meat animals and subject to federal meat inspection, or a person li-
 22 censed by the department under ORS chapter 603 to slaughter only poultry and rabbits and subject
 23 to federal poultry inspection, or a person licensed by the department under ORS chapter 603 as a
 24 nonslaughtering processor may, without being required to obtain an additional license, also sell or
 25 dispose of meat products as animal food provided that such licensees also comply with the provisions
 26 of subsection (6) of this section, ORS 619.010 to 619.026 and 619.036 to 619.066.

27 (6) In accordance with the provisions of ORS chapter 183, the department may promulgate rules
 28 necessary to carry out and enforce any procedures or measures to protect the health of the animals
 29 that are fed or intended to be fed the meat products sold or disposed of by animal food slaughtering
 30 establishments or processing establishments, and to protect the health of other animals in this state.
 31 In addition to the provisions of ORS 619.046, for the purposes of this section the department shall
 32 take into consideration:

33 (a) The provisions of ORS chapter 596.

34 (b) The procedures necessary to ensure that meat products that are only fit for or destined for
 35 animal consumption are not sold for human consumption.

36 (7) A person licensed as provided by this section:

37 (a) May not sell, hold or offer for sale any carcass of a meat animal or part thereof that is unfit
 38 for or unwholesome as animal food.

39 (b) May not sell, hold or offer for sale a carcass of a meat animal or part thereof for human
 40 consumption.

41 (c) Shall keep complete and accurate records of the meat animals purchased for slaughter, in-
 42 cluding but not limited to their description, brands if any, date of purchase and the name and ad-
 43 dress of the person from whom the animals were purchased.

44 (d) Shall keep complete and accurate records of the sale of all meat animal carcasses or parts
 45 *[thereof]* **of meat animal carcasses**, including the name and address of the purchaser.

1 (e) Shall comply with the provisions of ORS 619.026.

2 **SECTION 6. (1) Notwithstanding the amendments to ORS 619.031 by section 5 of this 2011**
3 **Act, the license fee amounts authorized by ORS 619.031 as set forth in the 2009 Edition of**
4 **Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain in**
5 **effect until superseded by license fees established by State Department of Agriculture rules.**

6 (2) The department shall adopt initial rules establishing license fees under ORS 619.031
7 to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing
8 licensing fees under ORS 619.031, the license fees authorized by ORS 619.031 as set forth in
9 the 2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011
10 Act are deemed to be the license fees charged during the year preceding adoption of the rule.

11 **SECTION 7.** ORS 621.072 is amended to read:

12 621.072. (1) The State Department of Agriculture shall issue a license to use a grade designation
13 to any person who:

- 14 (a) Makes written application for a license on forms provided by the department;
- 15 (b) Pays the designated license fee;
- 16 (c) Is engaged in the business of producing or distributing fluid milk; and
- 17 (d) Meets the requirements of the particular grade designation for which application is made.

18 (2) If a person carries on the activities of a producer and a producer-distributor, the person must
19 obtain a separate license for each of those activities. If a producer-distributor manufactures products
20 from both grade A fluid milk and grade B fluid milk at the same premises, the producer-distributor
21 must obtain separate licenses for grade A product manufacturing activity and grade B product
22 manufacturing activity.

23 (3) Licenses issued under this section shall be personal and not transferable.

24 (4) Each milk hauler, milk receiver or other person who grades fluid milk as fit or unfit for
25 processing as fluid milk due to quality, odor, flavor or wholesomeness must first obtain a license
26 from the department authorizing that person to sample and grade fluid milk. Each applicant for a
27 milk sampler's and grader's license shall, by written examination, demonstrate an adequate knowl-
28 edge of milk sanitation as it relates to the sampling, grading and handling of fluid milk and cream
29 for analysis. The department shall give examinations for licenses at such times and places as ap-
30 pears to be necessary and practicable.

31 (5) Before and after issuing a license to a person as a producer, producer-distributor, distributor
32 or nonprocessing distributor of fluid milk, the department shall, as it deems necessary, inspect the
33 physical facilities of the applicant's dairy, milk processing plant or distribution center and investi-
34 gate other factors the department determines may relate to the production, processing or distrib-
35 ution of fluid milk. The physical facilities must conform to the production, processing or distribution
36 requirements for the fluid milk grade designation sought or held.

37 (6) Each license issued under this section expires on June 30 next following the date of its is-
38 suance unless sooner revoked and may be renewed upon application of the licensee. Each applica-
39 tion for a license or annual renewal *[thereof]* of a license shall be accompanied by a license fee.

40 *[(7) The department shall establish license fee schedules for milk samplers and graders in accord-*
41 *ance with ORS chapter 183. A fee may not be less than \$25 or more than \$50.]*

42 *[(8) The license fees for producer-distributors, distributors and nonprocessing distributors are:]*

43 *[(a) \$135 if the applicant's annual gross dollar volume of sales and services is not more than*
44 *\$50,000;]*

45 *[(b) \$189 if an applicant's annual gross dollar volume of sales and services is more than \$50,000*

1 *and not more than \$500,000;]*

2 *[(c) \$325 if an applicant's annual gross dollar volume of sales and services is more than \$500,000*
3 *and not more than \$1 million;]*

4 *[(d) \$487 if an applicant's annual gross dollar volume of sales and services is more than \$1 million*
5 *and not more than \$5 million;]*

6 *[(e) \$649 if an applicant's annual gross dollar volume of sales and services is more than \$5 million*
7 *and not more than \$10 million; or]*

8 *[(f) \$812 if an applicant's annual gross dollar volume of sales and services is more than \$10*
9 *million.]*

10 *[(9) The license fees for producers are:]*

11 *[(a) \$135 if the applicant's annual gross sales are not more than \$50,000;]*

12 *[(b) \$189 if an applicant's annual gross sales are more than \$50,000 and not more than \$500,000;]*

13 *[(c) \$325 if an applicant's annual gross sales are more than \$500,000 and not more than \$1*
14 *million;]*

15 *[(d) \$487 if an applicant's annual gross sales are more than \$1 million and not more than \$5*
16 *million;]*

17 *[(e) \$649 if an applicant's annual gross sales are more than \$5 million and not more than \$10*
18 *million; or]*

19 *[(f) \$812 if an applicant's annual gross sales are more than \$10 million.]*

20 **(7) The department may adopt rules establishing license fee schedules for:**

21 **(a) Milk samplers and graders;**

22 **(b) Producer-distributors, distributors and nonprocessing distributors; and**

23 **(c) Producers.**

24 **[(10)] (8) The department may determine the license fee for a producer-distributor, dis-**
25 **tributor or nonprocessing distributor based upon the annual gross dollar volume of sales and**
26 **services by the applicant.** In establishing the amount of the license fee for an applicant under this
27 **[section] subsection,** the department shall use the annual gross dollar volume of sales and services
28 by that applicant within Oregon during the prior calendar year or, if the applicant maintains sales
29 and service records on a fiscal basis, the prior fiscal year. If the applicant applying for an original
30 license or for a renewal license cannot provide the annual gross dollar volume of sales and services
31 for a full calendar year, the department shall base the fee on estimated annual gross sales and ser-
32 vices by the applicant. If an applicant whose previous year's fee was determined using an estimated
33 gross sales and services figure applies for renewal of that license, the fee for the previous license
34 year shall be adjusted to reflect the actual gross dollar volume of sales and services by the appli-
35 cant.

36 **(9) The department may determine the license fee for a producer based upon the annual**
37 **gross sales by the applicant. In establishing the amount of the license fee for an applicant**
38 **under this subsection, the department shall use the annual gross sales by that applicant**
39 **within Oregon during the prior calendar year or, if the applicant maintains sales records on**
40 **a fiscal basis, the prior fiscal year. If the applicant applying for an original license or for a**
41 **renewal license cannot provide the annual gross sales for a full calendar year, the depart-**
42 **ment shall base the fee on estimated annual gross sales by the applicant. If an applicant**
43 **whose previous year's fee was determined using an estimated gross sales figure applies for**
44 **renewal of that license, the fee for the previous license year shall be adjusted to reflect the**
45 **actual gross sales by the applicant.**

1 **(10) Except as provided in this subsection, the department may not adopt a rule under**
 2 **this section to establish a license fee that is more than three percent higher than the fee**
 3 **charged during the preceding year for a milk sampler and grader, for a producer-distributor,**
 4 **distributor or nonprocessing distributor having the same volume of gross sales and services**
 5 **or for a producer having the same volume of gross sales. When adopting a rule establishing**
 6 **a license fee, notwithstanding the three percent limit the department may round the fee**
 7 **amount to the next highest whole dollar amount. Fee schedules adopted under this section**
 8 **may not change the amount of the same license fee more frequently than once each year.**

9 (11) A distributor or producer-distributor must obtain a license and pay license fees [*as provided*
 10 *under subsection (8) of this section*] for each physical facility used to produce, process or distribute
 11 fluid milk. A person is not required to obtain a distributor or producer-distributor license to act as
 12 a milk hauler or to operate receiving or transfer stations in conjunction with a milk processing
 13 plant.

14 (12) The department may refuse to issue or renew, or may suspend or revoke, a license for any
 15 violation of this section or ORS 621.062, 621.070, 621.076, 621.084, 621.088, 621.117, 621.122 or 621.259
 16 or processes or standards established under ORS 621.060 or 621.083.

17 **SECTION 8. (1) Notwithstanding the amendments to ORS 621.072 by section 7 of this 2011**
 18 **Act, the license fee amounts authorized by ORS 621.072 as set forth in the 2009 Edition of**
 19 **Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain in**
 20 **effect until superseded by license fees established by State Department of Agriculture rules.**

21 **(2) The department shall adopt initial rules establishing license fees under ORS 621.072**
 22 **to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing**
 23 **license fees under ORS 621.072, the license fees authorized by ORS 621.072 as set forth in the**
 24 **2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011 Act**
 25 **are deemed to be the license fees charged during the year preceding adoption of the rule.**

26 **SECTION 9.** ORS 621.166 is amended to read:

27 621.166. (1) **As used in this section, “mobile milk tanker” means a tank or other recep-**
 28 **tacle that attaches to a bulk tank truck or other equipment and is used to transport fluid**
 29 **milk, milk or milk products.**

30 [(1)] **(2)** Application for a dairy products plant license shall be made to the State Department
 31 of Agriculture on forms provided by the department. Each license and each annual renewal shall
 32 expire on June 30 next following its issuance or on such date as may be specified by department
 33 rule. Dairy products plant licenses are personal and are not transferable.

34 [(2)] **(3)** Each dairy products plant shall submit a separate fee established by the department for
 35 each mobile milk tanker. The fee [*shall*] **does** not apply to a mobile milk tanker owned and operated
 36 by a dairy products plant while transporting dairy products from the dairy products plant to
 37 wholesale or retail outlets for those products. [*As used in this section, “mobile milk tanker” means*
 38 *a tank or other receptacle that attaches to a bulk tank truck or other equipment and is used to transport*
 39 *fluid milk, milk or milk products.*]

40 [(3)] *The department shall establish the license fee for a mobile milk tanker in accordance with ORS*
 41 *chapter 183. The fee may not be less than \$25 or more than \$50. The fees for a dairy products plant*
 42 *are:]*

43 [(a)] *\$135 if the applicant’s annual gross dollar volume of sales and services is not more than*
 44 *\$50,000;]*

45 [(b)] *\$189 if an applicant’s annual gross dollar volume of sales and services is more than \$50,000*

1 *and not more than \$500,000;]*

2 *[(c) \$325 if an applicant's annual gross dollar volume of sales and services is more than \$500,000*
3 *and not more than \$1 million;]*

4 *[(d) \$487 if an applicant's annual gross dollar volume of sales and services is more than \$1 million*
5 *and not more than \$5 million;]*

6 *[(e) \$649 if an applicant's annual gross dollar volume of sales and services is more than \$5 million*
7 *and not more than \$10 million; or]*

8 *[(f) \$812 if an applicant's annual gross dollar volume of sales and services is more than \$10*
9 *million.]*

10 **(4) The department may adopt rules establishing license fee schedules for:**

11 **(a) Mobile milk tankers; and**

12 **(b) Dairy products plants.**

13 *[(4)]* **(5) The department may determine the license fee for a dairy products plant based**
14 **upon the annual gross dollar volume of sales and services by the applicant.** In establishing the
15 amount of the license fee for an applicant, the department shall use the annual gross dollar volume
16 of sales and services by that applicant within Oregon during the prior calendar year or, if the ap-
17 plicant maintains sales and service records on a fiscal basis, the prior fiscal year. If the applicant
18 applying for an original license or for a renewal license cannot provide the annual gross dollar
19 volume of sales or services for a full calendar year, the department shall base the fee on estimated
20 annual gross sales and services by the applicant. If an applicant whose previous year's fee was de-
21 termined using an estimated gross sales and services figure applies for renewal of that license, the
22 fee for the previous license year shall be adjusted to reflect the actual gross dollar volume of sales
23 and services by the applicant.

24 **(6) Except as provided in this subsection, the department may not adopt a rule under this**
25 **section to establish a license fee that is more than three percent higher than the fee charged**
26 **during the preceding year for an equivalent mobile milk tanker or for a dairy products plant**
27 **having the same volume of gross sales and services. When adopting a rule establishing a li-**
28 **cence fee, notwithstanding the three percent limit the department may round the fee amount**
29 **to the next highest whole dollar amount. Fee schedules adopted under this section may not**
30 **change the amount of the same license fee more frequently than once each year.**

31 **SECTION 10. (1) Notwithstanding the amendments to ORS 621.166 by section 9 of this**
32 **2011 Act, the license fee amounts authorized by ORS 621.166 as set forth in the 2009 Edition**
33 **of Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain**
34 **in effect until superseded by license fees established by State Department of Agriculture**
35 **rules.**

36 **(2) The department shall adopt initial rules establishing license fees under ORS 621.166**
37 **to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing**
38 **license fees under ORS 621.166, the license fees authorized by ORS 621.166 as set forth in the**
39 **2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011 Act**
40 **are deemed to be the license fees charged during the year preceding adoption of the rule.**

41 **SECTION 11. ORS 625.180 is amended to read:**

42 **625.180. (1) Every bakery or bakery distributor doing business in this state shall pay a license**
43 **fee.**

44 *[(2) The license fees for a distributor may not be less than \$25 and may not exceed \$108. The fees*
45 *for a bakery, other than a domestic kitchen bakery, are:]*

1 *[(a) \$244 if the bakery's annual gross sales are not more than \$50,000;]*

2 *[(b) \$379 if the bakery's annual gross sales are more than \$50,000 and not more than \$500,000;]*

3 *[(c) \$487 if the bakery's annual gross sales are more than \$500,000 and not more than \$1*
4 *million;]*

5 *[(d) \$812 if the bakery's annual gross sales are more than \$1 million and not more than \$5*
6 *million;]*

7 *[(e) \$1,082 if the bakery's annual gross sales are more than \$5 million and not more than \$10*
8 *million; or]*

9 *[(f) \$1,624 if the bakery's annual gross sales are more than \$10 million.]*

10 *[(3) The license fees for a domestic kitchen bakery are:]*

11 *[(a) \$152 if the bakery's annual gross sales are not more than \$50,000;]*

12 *[(b) \$216 if the bakery's annual gross sales are more than \$50,000 and not more than \$500,000;]*

13 *[(c) \$325 if the bakery's annual gross sales are more than \$500,000 and not more than \$1*
14 *million;]*

15 *[(d) \$487 if the bakery's annual gross sales are more than \$1 million and not more than \$5*
16 *million;]*

17 *[(e) \$649 if the bakery's annual gross sales are more than \$5 million and not more than \$10*
18 *million; or]*

19 *[(f) \$812 if the bakery's annual gross sales are more than \$10 million.]*

20 **(2) The State Department of Agriculture may adopt rules establishing license fee sched-**
21 **ules for:**

22 **(a) A bakery distributor;**

23 **(b) A domestic kitchen bakery; or**

24 **(c) A bakery other than a domestic kitchen bakery.**

25 **[(4)] (3) The department may determine the license fee for a bakery or bakery distributor**
26 **based upon the annual gross sales by the applicant.** In establishing the amount of the license fee
27 for a bakery or bakery distributor, the department shall use the annual gross sales by that bakery
28 or distributor within Oregon during the prior calendar year or, if the bakery or distributor main-
29 tains sales records on a fiscal basis, the prior fiscal year. If the bakery or distributor applying for
30 an original license or for a renewal license cannot provide the annual gross sales for a full calendar
31 year, the department shall base the fee on estimated annual gross sales by the bakery or distributor.
32 If a bakery or distributor whose previous year's fee was determined using an estimated gross sales
33 figure applies for renewal of that license, the fee for the previous license year shall be adjusted to
34 reflect the actual gross sales by the bakery or distributor.

35 **(4) Except as provided in this subsection, the department may not adopt a rule under this**
36 **section to establish a license fee that is more than three percent higher than the license fee**
37 **charged during the preceding year for a bakery distributor having the same volume of gross**
38 **sales or for a bakery of the same type and having the same volume of gross sales. When**
39 **adopting a rule establishing a license fee, notwithstanding the three percent limit the de-**
40 **partment may round the fee amount to the next highest whole dollar amount. Fee schedules**
41 **adopted under this section may not change the amount of the same license fee more fre-**
42 **quently than once each year.**

43 **SECTION 12.** (1) Notwithstanding the amendments to ORS 625.180 by section 11 of this
44 **2011 Act, the license fee amounts authorized by ORS 625.180 as set forth in the 2009 Edition**
45 **of Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain**

1 in effect until superseded by license fees established by State Department of Agriculture
2 rules.

3 (2) The department shall adopt initial rules establishing license fees under ORS 625.180
4 to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing
5 license fees under ORS 625.180, the license fees authorized by ORS 625.180 as set forth in the
6 2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011 Act
7 are deemed to be the license fees charged during the year preceding adoption of the rule.

8 **SECTION 13.** ORS 628.240 is amended to read:

9 628.240. [(1) *The license fee for a refrigerated locker plant is \$100.*]

10 (1) An applicant for a refrigerated locker plant license shall pay a license fee to the State
11 Department of Agriculture. The department may adopt rules establishing a license fee for
12 a refrigerated locker plant. Except as provided in this subsection, the department may not
13 adopt a rule under this section to establish a license fee that is more than three percent
14 higher than the fee charged during the preceding year. When adopting a rule establishing a
15 license fee, notwithstanding the three percent limit the department may round the fee
16 amount to the next highest whole dollar amount. The department may not change the
17 amount of the refrigerated locker plant license fee more frequently than once each year.

18 (2) If the license is issued after January 1 but before June 30 of the same year, the license fee
19 shall be one-half of the fee [*provided in*] established by the department by rule under subsection
20 (1) of this section.

21 (3) All fees received by the [*State Department of Agriculture pursuant to*] department under
22 ORS 628.210 to 628.370 shall be deposited in the Department of Agriculture Service Fund and are
23 continuously appropriated to the department for the purpose of administering and enforcing those
24 sections.

25 **SECTION 14.** (1) Notwithstanding the amendments to ORS 628.240 by section 13 of this
26 2011 Act, the license fee amount authorized by ORS 628.240 as set forth in the 2009 Edition
27 of Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain
28 in effect until superseded by a license fee established by State Department of Agriculture
29 rules.

30 (2) The department shall adopt initial rules establishing a license fee under ORS 628.240
31 to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing
32 the license fee under ORS 628.240, the license fee authorized by ORS 628.240 as set forth in
33 the 2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011
34 Act is deemed to be the license fee charged during the year preceding adoption of the rule.

35 **SECTION 15.** ORS 632.720 is amended to read:

36 632.720. [*There shall be paid to*] An applicant for an egg handler's license shall pay an an-
37 nual license fee to the State Department of Agriculture with each application [*for an egg handler's*
38 *license an annual license fee of \$25*]. The department may adopt rules establishing a license fee
39 for an egg handler. Except as provided in this section, the department may not adopt a rule
40 under this section to establish a license fee that is more than three percent higher than the
41 fee charged during the preceding year. When adopting a rule establishing a license fee,
42 notwithstanding the three percent limit the department may round the fee amount to the
43 next highest whole dollar amount. The department may not change the amount of the egg
44 handler's license fee more frequently than once each year.

45 **SECTION 16.** (1) Notwithstanding the amendments to ORS 632.720 by section 15 of this

1 **2011 Act, the license fee amount authorized by ORS 632.720 as set forth in the 2009 Edition**
 2 **of Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain**
 3 **in effect until superseded by a license fee established by State Department of Agriculture**
 4 **rules.**

5 **(2) The department shall adopt initial rules establishing a license fee under ORS 632.720**
 6 **to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing**
 7 **a license fee under ORS 632.720, the license fee authorized by ORS 632.720 as set forth in the**
 8 **2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011 Act**
 9 **is deemed to be the license fee charged during the year preceding adoption of the rule.**

10 **SECTION 17.** ORS 635.030 is amended to read:

11 635.030. (1) Any person desiring to or who does engage in the business of a nonalcoholic
 12 beverage manufacturer shall apply to the State Department of Agriculture for a license for each
 13 plant operated by such person. The application shall be in such form and contain such information
 14 as the department may prescribe.

15 *[(2) Each nonalcoholic beverage manufacturer doing business in this state shall pay a license fee.]*

16 *[(3) The license fees for a nonalcoholic beverage manufacturer are:]*

17 *[(a) \$162 if the manufacturer's annual gross sales are not more than \$50,000;]*

18 *[(b) \$271 if the manufacturer's annual gross sales are more than \$50,000 and not more than*
 19 *\$500,000;]*

20 *[(c) \$379 if the manufacturer's annual gross sales are more than \$500,000 and not more than \$1*
 21 *million;]*

22 *[(d) \$595 if the manufacturer's annual gross sales are more than \$1 million and not more than \$5*
 23 *million;]*

24 *[(e) \$704 if the manufacturer's annual gross sales are more than \$5 million and not more than \$10*
 25 *million; or]*

26 *[(f) \$920 if the manufacturer's annual gross sales are more than \$10 million.]*

27 **[(4)] (2) The department may adopt rules establishing license fee schedules for nonalco-**
 28 **holic beverage manufacturers. The department may determine the license fee for a man-**
 29 **ufacturer based upon the annual gross sales by the manufacturer.** In establishing the amount
 30 of the license fee for a manufacturer, the department shall use the annual gross sales by that man-
 31 ufacturer within Oregon during the prior calendar year or, if the manufacturer maintains sales re-
 32 cords on a fiscal basis, the prior fiscal year. If the manufacturer applying for an original license
 33 or for a renewal license cannot provide the annual gross sales for a full calendar year, the depart-
 34 ment shall base the fee on estimated annual gross sales by the manufacturer. If a manufacturer
 35 whose previous year's fee was determined using an estimated gross sales figure applies for renewal
 36 of that license, the fee for the previous license year shall be adjusted to reflect the actual gross
 37 sales by the manufacturer.

38 **(3) Except as provided in this subsection, the department may not adopt a rule under this**
 39 **section to establish a license fee that is more than three percent higher than the license fee**
 40 **charged during the preceding year for a manufacturer having the same volume of gross**
 41 **sales. When adopting a rule establishing a license fee, notwithstanding the three percent**
 42 **limit the department may round the fee amount to the next highest whole dollar amount.**
 43 **Fee schedules adopted under this section may not increase the amount of the same license**
 44 **fee more frequently than once each year.**

45 *[(5)] (4) [All such] Licenses issued under this section shall expire on June 30 next following*

1 the date of issuance or on such date as may be specified by department rule. The department shall
 2 collect **a license fee** for each license and for each renewal [*thereof the license fee computed as pro-*
 3 *vided in subsection (3) of this section*] **of a license**. The fee shall be remitted by the department to
 4 the State Treasurer. The State Treasurer shall place all moneys received under this section in the
 5 Department of Agriculture Service Fund. Moneys from fees imposed under this section are contin-
 6 uously appropriated to the department for the purpose of administering and enforcing the provisions
 7 of this chapter.

8 **SECTION 18.** (1) **Notwithstanding the amendments to ORS 635.030 by section 17 of this**
 9 **2011 Act, the license fee amounts authorized by ORS 635.030 as set forth in the 2009 Edition**
 10 **of Oregon Revised Statutes and in effect on the effective date of this 2011 Act shall remain**
 11 **in effect until superseded by license fees established by State Department of Agriculture**
 12 **rules.**

13 (2) **The department shall adopt initial rules establishing license fees under ORS 635.030**
 14 **to take effect no later than July 1, 2012. For the purpose of adopting initial rules establishing**
 15 **license fees under ORS 635.030, the license fees authorized by ORS 635.030 as set forth in the**
 16 **2009 Edition of Oregon Revised Statutes and in effect on the effective date of this 2011 Act**
 17 **are deemed to be the license fees charged during the year preceding adoption of the rule.**

18 **SECTION 19.** ORS 603.031 is amended to read:

19 603.031. (1) The State Department of Agriculture may issue licenses under this chapter to one
 20 or more additional users of a custom processing establishment, custom slaughtering establishment,
 21 meat seller establishment, nonslaughtering processing establishment or slaughterhouse that is li-
 22 censed primarily for operation by another person. A license issued to an additional user of an es-
 23 tablishment described in this subsection shall cover all operations at that establishment by the
 24 person licensed. Regardless of the number of persons licensed to use an establishment described in
 25 this subsection, the department may not recognize more than one person as the primary operator
 26 of the establishment.

27 (2) The department may assess a license fee to an additional user of an establishment described
 28 in this section, calculated as provided in **rules adopted under** ORS 603.025. In calculating license
 29 fees **as provided** under ORS 603.025, the establishment's annual gross dollar volume of sales and
 30 services for an additional user of the establishment is independent of the establishment's annual
 31 gross dollar volume of sales for any other user or the primary operator of the establishment.

32 (3) Notwithstanding ORS 603.025, the department may adopt rules to establish the license expi-
 33 ration, renewal and application dates for additional users of an establishment.

34 (4) The department may adopt rules to determine the responsibilities of an establishment's pri-
 35 mary operator and additional users of the establishment under ORS 603.034, 603.045 (6), 603.055 and
 36 603.059 and rules adopted under ORS 603.055 and 603.085.

37 (5) A recognized primary operator of an establishment shall notify the department upon the ex-
 38 piration or termination of the rental or lease of the establishment by an additional user of the es-
 39 tablishment. The renting or leasing of an establishment to a person licensed by the department as
 40 an additional user of the establishment or the expiration or termination of use by a person licensed
 41 as an additional user of the establishment does not, by itself, constitute the transfer of a business
 42 for purposes of ORS 603.027.

43 **SECTION 20.** **Notwithstanding the amendments to ORS 603.031 by section 19 of this 2011**
 44 **Act, prior to July 1, 2012, if the State Department of Agriculture has not adopted rules es-**
 45 **tablishing license fees under ORS 603.025 the department shall calculate the ORS 603.031 li-**

1 **cense fee as provided in ORS 603.025 as set forth in the 2009 Edition of Oregon Revised**
2 **Statutes.**

3 **SECTION 21.** ORS 616.708 is amended to read:

4 616.708. (1) The State Department of Agriculture may issue licenses under ORS 616.695 to
5 616.755 to one or more additional users of a food establishment that is licensed primarily for oper-
6 ation by another person. A license issued to an additional user of the food establishment shall cover
7 all operations at that establishment by the person licensed. Regardless of the number of persons li-
8 censed to use a food establishment, the department may not recognize more than one person as the
9 primary operator of the establishment.

10 (2) The department may assess a license fee to an additional user of a food establishment, cal-
11 culated as provided in **rules adopted under** ORS 616.706. In calculating license fees **as provided**
12 under ORS 616.706, the gross sales for an additional user of the food establishment are independent
13 of the gross sales by any other user or the primary operator of the food establishment.

14 (3) Notwithstanding ORS 616.706, the department may adopt rules to establish the license expi-
15 ration, renewal and application dates for additional users of a food establishment.

16 (4) The department may adopt rules to determine the responsibilities of a food establishment's
17 primary operator and additional users of the food establishment under ORS 616.700, 616.735 and
18 616.740.

19 (5) A recognized primary operator of a food establishment shall notify the department upon the
20 expiration or termination of the rental or lease of the food establishment by an additional user of
21 the establishment. The renting or leasing of a food establishment to a person licensed by the de-
22 partment as an additional user of the establishment or the expiration or termination of use by a
23 person licensed as an additional user of the establishment does not, by itself, constitute the ceasing
24 or discontinuance of operations or business at the food establishment by the primary operator or
25 another additional user for purposes of ORS 616.706.

26 (6) Subsections (1) to (5) of this section do not apply to a food establishment located in an area
27 that is part of a domestic kitchen.

28 **SECTION 22. Notwithstanding the amendments to ORS 616.708 by section 21 of this 2011**
29 **Act, prior to July 1, 2012, if the State Department of Agriculture has not adopted rules es-**
30 **tablishing license fees under ORS 616.706 the department shall calculate the ORS 616.708 li-**
31 **cense fee as provided in ORS 616.706 as set forth in the 2009 Edition of Oregon Revised**
32 **Statutes.**

33 **SECTION 23.** ORS 621.078 is amended to read:

34 621.078. (1) The State Department of Agriculture may issue a distributor or producer-distributor
35 license under ORS 621.072 to one or more additional users of a milk processing plant that is pri-
36 marily operated by another distributor or producer-distributor. A license issued to an additional
37 user for activities at the milk processing plant may differ in activity type and fluid milk grade from
38 the license issued to the primary operator of the plant. The physical facilities of the milk processing
39 plant must conform to the requirements for all activity types and milk grades for which the primary
40 operator and the additional users of the plant are licensed. Regardless of the number of persons li-
41 censed to use a milk processing plant, the department may not recognize more than one distributor
42 or producer-distributor as the primary operator of the plant.

43 (2) The department may assess a distributor or producer-distributor license fee to an additional
44 user of a milk processing plant, calculated as provided in **rules adopted under** ORS 621.072. In
45 calculating license fees **as provided** under ORS 621.072, the annual gross dollar volume of sales and

1 services for an additional user of a milk processing plant is independent of the annual gross dollar
2 volume of sales and services for any other user or the primary operator of the plant.

3 (3) Notwithstanding ORS 621.072, the department may adopt rules to establish the license expi-
4 ration, renewal and application dates for distributors or producer-distributors that are additional
5 users of a milk processing plant.

6 (4) The department may adopt rules to determine the responsibilities of a milk processing plant's
7 primary operator and additional users of the milk processing plant under standards prescribed by
8 ORS 621.176 and 621.181 and under ORS 621.183.

9 (5) A recognized primary operator of a milk processing plant shall notify the department upon
10 the expiration or termination of the rental or lease of the plant by an additional user of the plant.

11 **SECTION 24. Notwithstanding the amendments to ORS 621.078 by section 23 of this 2011**
12 **Act, prior to July 1, 2012, if the State Department of Agriculture has not adopted rules es-**
13 **ablishing license fees under ORS 621.072 the department shall calculate the ORS 621.078 li-**
14 **cence fee as provided in ORS 621.072 as set forth in the 2009 Edition of Oregon Revised**
15 **Statutes.**

16 **SECTION 25.** ORS 621.169 is amended to read:

17 621.169. (1) The State Department of Agriculture may issue a dairy products plant license under
18 ORS 621.166 to one or more additional users of a dairy products plant that processes or uses milk
19 to manufacture dairy products and is primarily operated by another person. A license issued to an
20 additional user for activities at the dairy products plant shall cover all operations at that plant by
21 the person licensed. Regardless of the number of persons licensed to use a dairy products plant, the
22 department may not recognize more than one person as the primary operator of the plant.

23 (2) The department may assess a license fee to an additional user of a dairy products plant de-
24 scribed in subsection (1) of this section, calculated as provided in **rules adopted under** ORS 621.166.
25 In calculating license fees **as provided** under ORS 621.166, the annual gross dollar volume of sales
26 and services for an additional user of the dairy products plant is independent of the annual gross
27 dollar volume of sales and services for any other user or the primary operator of the plant.

28 (3) Notwithstanding ORS 621.166, the department may adopt rules to establish the license expi-
29 ration, renewal and application dates for additional users of a dairy products plant.

30 (4) The department may adopt rules to determine the responsibilities of the dairy products
31 plant's primary operator and additional users of the dairy products plant's under standards pre-
32 scribed by ORS 621.176 and 621.181 and under ORS 621.183.

33 (5) A recognized primary operator of a dairy products plant shall notify the department upon the
34 expiration or termination of the rental or lease of the plant by an additional user of the plant.

35 **SECTION 26. Notwithstanding the amendments to ORS 621.169 by section 25 of this 2011**
36 **Act, prior to July 1, 2012, if the State Department of Agriculture has not adopted rules es-**
37 **ablishing license fees under ORS 621.166 the department shall calculate the ORS 621.169 li-**
38 **cence fee as provided in ORS 621.166 as set forth in the 2009 Edition of Oregon Revised**
39 **Statutes.**

40 **SECTION 27.** ORS 625.030 is amended to read:

41 625.030. Application for a bakery license shall be made in writing to the State Department of
42 Agriculture on forms supplied by the department. After receipt of the application and the fees re-
43 quired by **rules adopted under** ORS 625.180, the department shall cause to be made a proper de-
44 tailed inspection of the premises and equipment or of the plans and specifications of the bakery
45 involved. If the department finds that the premises and equipment are or will be of a sanitary con-

1 struction, design or condition and that the applicant has complied with and will be able to comply
 2 with ORS 625.010 to 625.270, the application shall be approved and the department shall issue to the
 3 applicant a numbered license certificate bearing the name and address of the licensee and of the
 4 premises licensed.

5 **SECTION 28. Notwithstanding the amendments to ORS 625.030 by section 27 of this 2011**
 6 **Act, prior to July 1, 2012, if the State Department of Agriculture has not adopted rules es-**
 7 **ablishing license fees under ORS 625.180 the license fee for an application filed under ORS**
 8 **625.030 is the applicable license fee required under ORS 625.180 as set forth in the 2009 Edi-**
 9 **tion of Oregon Revised Statutes.**

10 **SECTION 29.** ORS 625.055 is amended to read:

11 625.055. (1) The State Department of Agriculture may issue licenses under ORS 625.030 to one
 12 or more additional users of a bakery that is licensed primarily for operation by another person. A
 13 license issued to an additional user of the bakery shall cover all operations at that bakery by the
 14 person licensed. Regardless of the number of persons licensed to use a bakery, the department may
 15 not recognize more than one person as the primary operator of the bakery.

16 (2) The department may assess a license fee to an additional user of a bakery, calculated as
 17 provided in **rules adopted under** ORS 625.180. In calculating license fees **as provided** under ORS
 18 625.180, the gross sales by an additional user of a bakery are independent of the gross sales by any
 19 other user or the primary operator of the bakery.

20 (3) Notwithstanding ORS 625.050, the department may adopt rules to establish the license expi-
 21 ration, renewal and application dates for additional users of a bakery.

22 (4) The department may adopt rules to determine the responsibilities of a bakery's primary op-
 23 erator and additional users of the bakery under requirements prescribed by the department as pro-
 24 vided under ORS 625.150.

25 (5) A recognized primary operator of a bakery shall notify the department upon the expiration
 26 or termination of the rental or lease of the bakery by an additional user of the bakery.

27 (6) Subsections (1) to (5) of this section do not apply to a bakery located in an area that is part
 28 of a domestic kitchen.

29 **SECTION 30. Notwithstanding the amendments to ORS 625.055 by section 29 of this 2011**
 30 **Act, prior to July 1, 2012, if the State Department of Agriculture has not adopted rules es-**
 31 **ablishing license fees under ORS 625.180 the department shall calculate the ORS 625.055 li-**
 32 **cence fee as provided in ORS 625.180 as set forth in the 2009 Edition of Oregon Revised**
 33 **Statutes.**

34 **SECTION 31.** ORS 625.090 is amended to read:

35 625.090. Application for a **bakery** distributor's license shall be filed in writing with the State
 36 Department of Agriculture on the form prescribed and supplied by the department. After receipt of
 37 the application and the fees required by **rules adopted under** ORS 625.180, the department shall
 38 cause to be made a proper detailed inspection of the premises and equipment to be used by the ap-
 39 plicant in distribution within this state of bakery products. If the department finds that the premises
 40 and equipment are or will be of a sanitary construction, design or condition and that the applicant
 41 has complied with and will be able to comply with ORS 625.010 to 625.270, the application shall be
 42 approved and there shall be issued to the applicant a numbered license certificate bearing the name
 43 and address of the licensee.

44 **SECTION 32. Notwithstanding the amendments to ORS 625.090 by section 31 of this 2011**
 45 **Act, prior to July 1, 2012, if the State Department of Agriculture has not adopted rules es-**

1 **tabulating license fees under ORS 625.180 the department shall assess the ORS 625.090 license**
2 **fee in effect on the effective date of this 2011 Act.**

3 **SECTION 33.** ORS 632.741 is amended to read:

4 632.741. (1) In addition to the license fee [*prescribed in*] **adopted by rule under** ORS 632.720,
5 each egg handler shall pay to the State Department of Agriculture a fee prescribed by the depart-
6 ment, not to exceed two and one-half mills per dozen eggs sold by such egg handler. Such fee shall
7 be paid by remitting monthly payments, on dates prescribed by the department, accompanied by such
8 reports concerning egg sales as the department may prescribe. The egg handler utilizing this method
9 shall prepare and maintain adequate books and records evidencing the egg sales, and shall keep the
10 same for at least two years. The department is authorized to inspect and audit such books and re-
11 cords as provided in ORS 561.265 and the egg handler shall pay to the department its costs for the
12 same. The department shall assign such egg handler a permit number to be placed on egg containers
13 in the manner prescribed by the department.

14 (2) The fees required to be paid under subsection (1) of this section and, except as otherwise
15 provided [*therein*] **under ORS 632.771**, the labeling required by ORS 632.771 [*shall*] **do** not apply to:

- 16 (a) Eggs sold and shipped outside of this state;
- 17 (b) Eggs sold to the United States Government;
- 18 (c) Bulk sales of eggs;
- 19 (d) Eggs sold to another egg handler for processing into egg products; or
- 20 (e) Eggs sold by a producer to consumers at the place of production.

21 **SECTION 34. The amendments to ORS 632.741 by section 33 of this 2011 Act become op-**
22 **erative on the earlier of:**

23 (1) **July 1, 2012; or**

24 (2) **The effective date of State Department of Agriculture rules establishing license fees**
25 **under ORS 632.720.**

26 **SECTION 35.** ORS 603.200 is amended to read:

27 603.200. Notwithstanding any other provision of law:

28 (1) In the absence of a contract or other agreement providing otherwise, any processor who
29 purchases meat animals from the producers thereof shall make full payment therefor not later than
30 the second business day after the day the processor takes delivery of any such meat animal.

31 (2) In the absence of a contract or other agreement providing otherwise, any meat seller who
32 purchases meat or meat products from the processor thereof shall make full payment therefor not
33 later than the seventh business day after the day the meat seller takes delivery of any such meat
34 or meat product.

35 (3) Any person who fails to make payment as required by subsections (1) and (2) of this section
36 shall pay, in addition to the amount due, interest thereon at the rate of one percent per month.

37 (4) As used in this section:

38 (a) "Meat animal" has the meaning for that term provided in ORS 603.010.

39 (b) "Meat or meat product" has the meaning for that term provided in ORS 603.010.

40 (c) "Meat seller" means a person required to obtain a license [*the fee for which is prescribed*]
41 **described** in ORS 603.025 (4)(a).

42 (d) "Processor" means a person required to obtain a license [*the fee for which is prescribed*]
43 **described** in ORS 603.025 (4)(b) to (e).

44 **SECTION 36.** ORS 603.025, as amended by section 1 of this 2011 Act, is amended to read:

45 603.025. (1) A person may not sell, offer to sell or expose for sale meat products or engage in

1 any other activity described or identified in subsection (4) of this section without first obtaining and
2 maintaining a license for that activity from the State Department of Agriculture. All such licenses
3 shall expire on June 30 next following the date of issuance or on such date as may be specified by
4 department rule. Renewal applications must be postmarked before the expiration date to be timely.

5 (2) Application for a license required by this section shall be made to the department on forms
6 prescribed by the department and shall contain any information the department deems necessary.
7 The license is personal and nontransferable, with a separate license required for each establishment
8 location. A new license is required each time there is a change in ownership, legal entity or estab-
9 lishment location.

10 (3) In addition to other license requirements of this section, if an applicant for a license under
11 subsection (4)(c) of this section has an average weekly dollar value of meat animal purchases that
12 exceeds \$10,000, the applicant shall submit with the application a surety bond with one or more
13 corporate sureties authorized to do business in this state, or an irrevocable letter of credit issued
14 by an insured institution, as defined in ORS 706.008. The bond or letter of credit shall be in an
15 amount equal to twice the average daily value of meat animal purchases during the preceding cal-
16 endar year, or the amount of \$20,000, whichever amount is greater. The department shall prescribe
17 the form for the bond or letter of credit. A bond or letter of credit is subject to department approval
18 and must be conditioned upon faithful performance by the licensee of all obligations to the producers
19 of meat animals arising from the sale of meat animals by producers to the licensee.

20 (4) Each of the following activities must be licensed, and the fee established by the department
21 paid with the license application:

22 (a) Operation of a meat seller establishment. A license under this section allows only the meat
23 products preparation described in ORS 603.010 (8).

24 (b) Operation of a nonslaughtering processing establishment. A license under this section allows
25 selling meat products at the same location without obtaining the license described in paragraph (a)
26 of this subsection.

27 (c) Operation of a slaughterhouse. A license under this section allows selling meat products at
28 the same location without obtaining the license described in paragraph (a) of this subsection.

29 (d) Operation of a custom slaughtering establishment or custom processing establishment. A li-
30 cense under this section does not allow selling meat products without first obtaining and maintain-
31 ing the license described in paragraph (a) of this subsection.

32 (e) Operation of a slaughterhouse, custom slaughtering establishment or custom processing es-
33 tablishment wherein only poultry or rabbits are slaughtered or prepared. A license under this sec-
34 tion allows selling only poultry or rabbit products at the same location without obtaining the license
35 described in paragraph (a) of this subsection.

36 (5) The license required by this section shall be displayed at all times in a conspicuous manner
37 at the address shown on the license.

38 (6) The department may adopt rules establishing license fee schedules for establishments li-
39 censed under this section. The department may determine the license fee for an establishment based
40 upon the annual gross dollar volume of sales and services by the applicant. In establishing the
41 amount of the license fee for an establishment, the State Department of Agriculture shall use the
42 annual gross dollar volume of sales and services by that establishment within Oregon during the
43 prior calendar year or, if the establishment maintains sales and service records on a fiscal basis, the
44 prior fiscal year. If the establishment applying for an original license or for a renewal license cannot
45 provide the annual gross dollar volume of sales and services for a full calendar year, the department

1 shall base the fee on estimated annual gross sales and services by the establishment. If an estab-
 2 lishment whose previous year's fee was determined using an estimated gross sales and services fig-
 3 ure applies for renewal of that license, the fee for the previous license year shall be adjusted to
 4 reflect the actual annual gross dollar volume of sales and services by the establishment.

5 (7) *[Except as provided in this subsection, the department may not adopt a rule under this section*
 6 *to establish a license fee that is more than three percent higher than the license fee charged during the*
 7 *preceding year for an establishment of the same type and having the same volume of gross sales and*
 8 *services. When adopting a rule establishing a license fee, notwithstanding the three percent limit the*
 9 *department may round the fee amount to the next highest whole dollar amount.] Fee schedules adopted*
 10 *under this section may not change the amount of the same license fee more frequently than once*
 11 *each year.*

12 **SECTION 37.** ORS 616.706, as amended by section 3 of this 2011 Act, is amended to read:

13 616.706. (1) Except as otherwise provided in ORS 616.695 to 616.755, a person may not operate
 14 a food establishment without first obtaining and thereafter maintaining a license under this section.
 15 A person shall make an application for a license to the State Department of Agriculture on forms
 16 prescribed by the department. Each license shall expire on June 30 next following the date of issu-
 17 ance or on such date as may be specified by department rule.

18 (2) The department may, subject to the applicable provisions of ORS chapter 183, suspend, re-
 19 voke or refuse to issue a license if the licensee has violated any of the provisions of ORS 616.695
 20 to 616.755 or rules adopted under ORS 616.695 to 616.755.

21 (3) A license is personal to the applicant and may not be transferred. A new license is necessary
 22 if the business entity of the licensee is changed, or if the membership of a partnership is changed,
 23 irrespective of whether or not the business name is changed.

24 (4) The license shall cover all operations of the person licensed, under one entity or ownership.
 25 With prior approval of the department, the location of a licensed food establishment, or any part
 26 of a licensed food establishment, may be moved without the requirement of a new license if there
 27 is no change in the ownership or business entity.

28 (5) The license shall be posted in a conspicuous place in the main office of the food establish-
 29 ment. Duplicate copies of the license shall be conspicuously posted in branch offices, warehouses
 30 and other places owned or operated by the licensee at locations other than the main office. A license
 31 is automatically canceled if the food establishment ceases or discontinues operations or business.

32 (6) The department may adopt rules establishing license fee schedules for a food establishment:

33 (a) That is part of a domestic kitchen;

34 (b) That is a retail food store;

35 (c) That is a warehouse; or

36 (d) That is other than part of a domestic kitchen, retail food store or warehouse.

37 (7) The department may determine the license fee for a food establishment described in sub-
 38 section (6)(b) to (d) of this section based upon the gross sales by the applicant. In establishing the
 39 amount of a license fee based upon gross sales by an applicant, the department shall use the annual
 40 gross dollar volume of sales of covered operations by that applicant within Oregon during the prior
 41 calendar year or, if the applicant maintains sales records on a fiscal basis, the prior fiscal year. If
 42 the applicant applying for an original license or for a renewal license cannot provide the annual
 43 gross dollar volume of sales of covered operations for a full calendar year, the department shall base
 44 the fee on estimated annual gross sales of covered operations by the applicant. If an applicant whose
 45 previous year's fee was determined using an estimated gross sales of covered operations figure ap-

1 plies for renewal of that license, the fee for the previous license year shall be adjusted to reflect the
2 actual gross dollar volume of sales of covered operations by the applicant.

3 (8) *[Except as provided in this subsection, the department may not adopt a rule under this section*
4 *to establish a license fee that is more than three percent higher than the license fee charged during the*
5 *preceding year for a food establishment of the same type and having the same volume of gross sales.*
6 *When adopting a rule establishing a license fee, notwithstanding the three percent limit the department*
7 *may round the fee amount to the next highest whole dollar amount.]* License fee schedules adopted
8 under this section may not change the amount of the same license fee more frequently than once
9 each year.

10 **SECTION 38.** ORS 619.031, as amended by section 5 of this 2011 Act, is amended to read:

11 619.031. (1) A person may not operate an animal food slaughtering establishment or processing
12 establishment without first obtaining a license for the establishment from the State Department of
13 Agriculture.

14 (2) The department may adopt rules establishing license fee schedules for establishments li-
15 censed under this section. The department may determine the license fee for an establishment based
16 upon the annual gross dollar volume of sales and services by the applicant. In establishing the
17 amount of the license fee for an applicant, the department shall use the annual gross dollar volume
18 of sales and services by that applicant within Oregon during the prior calendar year or, if the ap-
19 plicant maintains sales and service records on a fiscal basis, the prior fiscal year. If the applicant
20 applying for an original license or for a renewal license cannot provide the annual gross dollar
21 volume of sales and services for a full calendar year, the department shall base the fee on estimated
22 annual gross sales and services by the applicant. If an applicant whose previous year's fee was de-
23 termined using an estimated gross sales and services figure applies for renewal of that license, the
24 fee for the previous license year shall be adjusted to reflect the actual gross dollar volume of sales
25 and services by the applicant. The license shall expire on June 30 next following the date of issu-
26 ance or on such date as may be specified by department rule.

27 (3) *[Except as provided in this subsection, the department may not adopt a rule to establish a li-*
28 *cence fee that is more than three percent higher than the license fee charged during the preceding year*
29 *for an establishment of the same type and having the same volume of gross sales and services. When*
30 *adopting a rule establishing a license fee, notwithstanding the three percent limit the department may*
31 *round the fee amount to the next highest whole dollar amount.]* Fee schedules adopted under this
32 section may not change the amount of the same license fee more frequently than once each year.

33 (4) The provisions of ORS 603.025 (2) and (5), 603.034 (1) and (2), 603.045 (7) and 603.075 shall
34 apply to animal food slaughtering establishments or processing establishments. Except as provided
35 in this subsection, the remainder of the provisions of ORS chapter 603 do not apply to such estab-
36 lishments.

37 (5) Notwithstanding subsection (1) of this section, a person licensed by the department under
38 ORS chapter 603 to slaughter meat animals and subject to federal meat inspection, or a person li-
39 censed by the department under ORS chapter 603 to slaughter only poultry and rabbits and subject
40 to federal poultry inspection, or a person licensed by the department under ORS chapter 603 as a
41 nonslaughtering processor may, without being required to obtain an additional license, also sell or
42 dispose of meat products as animal food provided that such licensees also comply with the provisions
43 of subsection (6) of this section, ORS 619.010 to 619.026 and 619.036 to 619.066.

44 (6) In accordance with the provisions of ORS chapter 183, the department may promulgate rules
45 necessary to carry out and enforce any procedures or measures to protect the health of the animals

1 that are fed or intended to be fed the meat products sold or disposed of by animal food slaughtering
2 establishments or processing establishments, and to protect the health of other animals in this state.
3 In addition to the provisions of ORS 619.046, for the purposes of this section the department shall
4 take into consideration:

5 (a) The provisions of ORS chapter 596.

6 (b) The procedures necessary to ensure that meat products that are only fit for or destined for
7 animal consumption are not sold for human consumption.

8 (7) A person licensed as provided by this section:

9 (a) May not sell, hold or offer for sale any carcass of a meat animal or part thereof that is unfit
10 for or unwholesome as animal food.

11 (b) May not sell, hold or offer for sale a carcass of a meat animal or part thereof for human
12 consumption.

13 (c) Shall keep complete and accurate records of the meat animals purchased for slaughter, in-
14 cluding but not limited to their description, brands if any, date of purchase and the name and ad-
15 dress of the person from whom the animals were purchased.

16 (d) Shall keep complete and accurate records of the sale of all meat animal carcasses or parts
17 of meat animal carcasses, including the name and address of the purchaser.

18 (e) Shall comply with the provisions of ORS 619.026.

19 **SECTION 39.** ORS 621.072, as amended by section 7 of this 2011 Act, is amended to read:

20 621.072. (1) The State Department of Agriculture shall issue a license to use a grade designation
21 to any person who:

22 (a) Makes written application for a license on forms provided by the department;

23 (b) Pays the designated license fee;

24 (c) Is engaged in the business of producing or distributing fluid milk; and

25 (d) Meets the requirements of the particular grade designation for which application is made.

26 (2) If a person carries on the activities of a producer and a producer-distributor, the person must
27 obtain a separate license for each of those activities. If a producer-distributor manufactures products
28 from both grade A fluid milk and grade B fluid milk at the same premises, the producer-distributor
29 must obtain separate licenses for grade A product manufacturing activity and grade B product
30 manufacturing activity.

31 (3) Licenses issued under this section shall be personal and not transferable.

32 (4) Each milk hauler, milk receiver or other person who grades fluid milk as fit or unfit for
33 processing as fluid milk due to quality, odor, flavor or wholesomeness must first obtain a license
34 from the department authorizing that person to sample and grade fluid milk. Each applicant for a
35 milk sampler's and grader's license shall, by written examination, demonstrate an adequate knowl-
36 edge of milk sanitation as it relates to the sampling, grading and handling of fluid milk and cream
37 for analysis. The department shall give examinations for licenses at such times and places as ap-
38 pears to be necessary and practicable.

39 (5) Before and after issuing a license to a person as a producer, producer-distributor, distributor
40 or nonprocessing distributor of fluid milk, the department shall, as it deems necessary, inspect the
41 physical facilities of the applicant's dairy, milk processing plant or distribution center and investi-
42 gate other factors the department determines may relate to the production, processing or distrib-
43 ution of fluid milk. The physical facilities must conform to the production, processing or distribution
44 requirements for the fluid milk grade designation sought or held.

45 (6) Each license issued under this section expires on June 30 next following the date of its is-

1 suance unless sooner revoked and may be renewed upon application of the licensee. Each applica-
 2 tion for a license or annual renewal of a license shall be accompanied by a license fee.

3 (7) The department may adopt rules establishing license fee schedules for:

4 (a) Milk samplers and graders;

5 (b) Producer-distributors, distributors and nonprocessing distributors; and

6 (c) Producers.

7 (8) The department may determine the license fee for a producer-distributor, distributor or non-
 8 processing distributor based upon the annual gross dollar volume of sales and services by the ap-
 9 plicant. In establishing the amount of the license fee for an applicant under this subsection, the
 10 department shall use the annual gross dollar volume of sales and services by that applicant within
 11 Oregon during the prior calendar year or, if the applicant maintains sales and service records on
 12 a fiscal basis, the prior fiscal year. If the applicant applying for an original license or for a renewal
 13 license cannot provide the annual gross dollar volume of sales and services for a full calendar year,
 14 the department shall base the fee on estimated annual gross sales and services by the applicant. If
 15 an applicant whose previous year's fee was determined using an estimated gross sales and services
 16 figure applies for renewal of that license, the fee for the previous license year shall be adjusted to
 17 reflect the actual gross dollar volume of sales and services by the applicant.

18 (9) The department may determine the license fee for a producer based upon the annual gross
 19 sales by the applicant. In establishing the amount of the license fee for an applicant under this
 20 subsection, the department shall use the annual gross sales by that applicant within Oregon during
 21 the prior calendar year or, if the applicant maintains sales records on a fiscal basis, the prior fiscal
 22 year. If the applicant applying for an original license or for a renewal license cannot provide the
 23 annual gross sales for a full calendar year, the department shall base the fee on estimated annual
 24 gross sales by the applicant. If an applicant whose previous year's fee was determined using an es-
 25 timated gross sales figure applies for renewal of that license, the fee for the previous license year
 26 shall be adjusted to reflect the actual gross sales by the applicant.

27 (10) *[Except as provided in this subsection, the department may not adopt a rule under this section*
 28 *to establish a license fee that is more than three percent higher than the fee charged during the pre-*
 29 *ceding year for a milk sampler and grader, for a producer-distributor, distributor or nonprocessing*
 30 *distributor having the same volume of gross sales and services or for a producer having the same*
 31 *volume of gross sales. When adopting a rule establishing a license fee, notwithstanding the three per-*
 32 *cent limit the department may round the fee amount to the next highest whole dollar amount.]* Fee
 33 schedules adopted under this section may not change the amount of the same license fee more fre-
 34 quently than once each year.

35 (11) A distributor or producer-distributor must obtain a license and pay license fees for each
 36 physical facility used to produce, process or distribute fluid milk. A person is not required to obtain
 37 a distributor or producer-distributor license to act as a milk hauler or to operate receiving or
 38 transfer stations in conjunction with a milk processing plant.

39 (12) The department may refuse to issue or renew, or may suspend or revoke, a license for any
 40 violation of this section or ORS 621.062, 621.070, 621.076, 621.084, 621.088, 621.117, 621.122 or 621.259
 41 or processes or standards established under ORS 621.060 or 621.083.

42 **SECTION 40.** ORS 621.166, as amended by section 9 of this 2011 Act, is amended to read:

43 621.166. (1) As used in this section, "mobile milk tanker" means a tank or other receptacle that
 44 attaches to a bulk tank truck or other equipment and is used to transport fluid milk, milk or milk
 45 products.

1 (2) Application for a dairy products plant license shall be made to the State Department of Ag-
2 riculture on forms provided by the department. Each license and each annual renewal shall expire
3 on June 30 next following its issuance or on such date as may be specified by department rule. Dairy
4 products plant licenses are personal and are not transferable.

5 (3) Each dairy products plant shall submit a separate fee established by the department for each
6 mobile milk tanker. The fee does not apply to a mobile milk tanker owned and operated by a dairy
7 products plant while transporting dairy products from the dairy products plant to wholesale or retail
8 outlets for those products.

9 (4) The department may adopt rules establishing license fee schedules for:

10 (a) Mobile milk tankers; and

11 (b) Dairy products plants.

12 (5) The department may determine the license fee for a dairy products plant based upon the
13 annual gross dollar volume of sales and services by the applicant. In establishing the amount of the
14 license fee for an applicant, the department shall use the annual gross dollar volume of sales and
15 services by that applicant within Oregon during the prior calendar year or, if the applicant main-
16 tains sales and service records on a fiscal basis, the prior fiscal year. If the applicant applying for
17 an original license or for a renewal license cannot provide the annual gross dollar volume of sales
18 or services for a full calendar year, the department shall base the fee on estimated annual gross
19 sales and services by the applicant. If an applicant whose previous year's fee was determined using
20 an estimated gross sales and services figure applies for renewal of that license, the fee for the pre-
21 vious license year shall be adjusted to reflect the actual gross dollar volume of sales and services
22 by the applicant.

23 (6) *[Except as provided in this subsection, the department may not adopt a rule under this section*
24 *to establish a license fee that is more than three percent higher than the fee charged during the pre-*
25 *ceding year for an equivalent mobile milk tanker or for a dairy products plant having the same volume*
26 *of gross sales and services. When adopting a rule establishing a license fee, notwithstanding the three*
27 *percent limit the department may round the fee amount to the next highest whole dollar amount.]* Fee
28 schedules adopted under this section may not change the amount of the same license fee more fre-
29 quently than once each year.

30 **SECTION 41.** ORS 625.180, as amended by section 11 of this 2011 Act, is amended to read:

31 625.180. (1) Every bakery or bakery distributor doing business in this state shall pay a license
32 fee.

33 (2) The State Department of Agriculture may adopt rules establishing license fee schedules for:

34 (a) A bakery distributor;

35 (b) A domestic kitchen bakery; or

36 (c) A bakery other than a domestic kitchen bakery.

37 (3) The department may determine the license fee for a bakery or bakery distributor based upon
38 the annual gross sales by the applicant. In establishing the amount of the license fee for a bakery
39 or bakery distributor, the department shall use the annual gross sales by that bakery or distributor
40 within Oregon during the prior calendar year or, if the bakery or distributor maintains sales records
41 on a fiscal basis, the prior fiscal year. If the bakery or distributor applying for an original license
42 or for a renewal license cannot provide the annual gross sales for a full calendar year, the depart-
43 ment shall base the fee on estimated annual gross sales by the bakery or distributor. If a bakery
44 or distributor whose previous year's fee was determined using an estimated gross sales figure applies
45 for renewal of that license, the fee for the previous license year shall be adjusted to reflect the ac-

1 tual gross sales by the bakery or distributor.

2 (4) *[Except as provided in this subsection, the department may not adopt a rule under this section*
 3 *to establish a license fee that is more than three percent higher than the license fee charged during the*
 4 *preceding year for a bakery distributor having the same volume of gross sales or for a bakery of the*
 5 *same type and having the same volume of gross sales. When adopting a rule establishing a license fee,*
 6 *notwithstanding the three percent limit the department may round the fee amount to the next highest*
 7 *whole dollar amount.]* Fee schedules adopted under this section may not change the amount of the
 8 same license fee more frequently than once each year.

9 **SECTION 42.** ORS 628.240, as amended by section 13 of this 2011 Act, is amended to read:

10 628.240. (1) An applicant for a refrigerated locker plant license shall pay a license fee to the
 11 State Department of Agriculture. The department may adopt rules establishing a license fee for a
 12 refrigerated locker plant. *[Except as provided in this subsection, the department may not adopt a rule*
 13 *under this section to establish a license fee that is more than three percent higher than the fee charged*
 14 *during the preceding year. When adopting a rule establishing a license fee, notwithstanding the three*
 15 *percent limit the department may round the fee amount to the next highest whole dollar amount.]* The
 16 department may not change the amount of the refrigerated locker plant license fee more frequently
 17 than once each year.

18 (2) If the license is issued after January 1 but before June 30 of the same year, the license fee
 19 shall be one-half of the fee established by the department by rule under subsection (1) of this section.

20 (3) All fees received by the department under ORS 628.210 to 628.370 shall be deposited in the
 21 Department of Agriculture Service Fund and are continuously appropriated to the department for
 22 the purpose of administering and enforcing those sections.

23 **SECTION 43.** ORS 632.720, as amended by section 15 of this 2011 Act, is amended to read:

24 632.720. An applicant for an egg handler's license shall pay an annual license fee to the State
 25 Department of Agriculture with each application. The department may adopt rules establishing a
 26 license fee for an egg handler. *[Except as provided in this section, the department may not adopt a rule*
 27 *under this section to establish a license fee that is more than three percent higher than the fee charged*
 28 *during the preceding year. When adopting a rule establishing a license fee, notwithstanding the three*
 29 *percent limit the department may round the fee amount to the next highest whole dollar amount.]* The
 30 department may not change the amount of the egg handler's license fee more frequently than once
 31 each year.

32 **SECTION 44.** ORS 635.030, as amended by section 17 of this 2011 Act, is amended to read:

33 635.030. (1) Any person desiring to or who does engage in the business of a nonalcoholic
 34 beverage manufacturer shall apply to the State Department of Agriculture for a license for each
 35 plant operated by such person. The application shall be in such form and contain such information
 36 as the department may prescribe.

37 (2) The department may adopt rules establishing license fee schedules for nonalcoholic beverage
 38 manufacturers. The department may determine the license fee for a manufacturer based upon the
 39 annual gross sales by the manufacturer. In establishing the amount of the license fee for a man-
 40 ufacturer, the department shall use the annual gross sales by that manufacturer within Oregon
 41 during the prior calendar year or, if the manufacturer maintains sales records on a fiscal basis, the
 42 prior fiscal year. If the manufacturer applying for an original license or for a renewal license cannot
 43 provide the annual gross sales for a full calendar year, the department shall base the fee on esti-
 44 mated annual gross sales by the manufacturer. If a manufacturer whose previous year's fee was de-
 45 termined using an estimated gross sales figure applies for renewal of that license, the fee for the

1 previous license year shall be adjusted to reflect the actual gross sales by the manufacturer.

2 (3) *[Except as provided in this subsection, the department may not adopt a rule under this section*
3 *to establish a license fee that is more than three percent higher than the license fee charged during the*
4 *preceding year for a manufacturer having the same volume of gross sales. When adopting a rule es-*
5 *tablishing a license fee, notwithstanding the three percent limit the department may round the fee*
6 *amount to the next highest whole dollar amount.]* Fee schedules adopted under this section may not
7 increase the amount of the same license fee more frequently than once each year.

8 (4) Licenses issued under this section shall expire on June 30 next following the date of issuance
9 or on such date as may be specified by department rule. The department shall collect a license fee
10 for each license and for each renewal of a license. The fee shall be remitted by the department to
11 the State Treasurer. The State Treasurer shall place all moneys received under this section in the
12 Department of Agriculture Service Fund. Moneys from fees imposed under this section are contin-
13 uously appropriated to the department for the purpose of administering and enforcing the provisions
14 of this chapter.

15 **SECTION 45. The amendments to ORS 603.025, 616.706, 619.031, 621.072, 621.166, 625.180,**
16 **628.240, 632.720 and 635.030 by sections 36 to 44 of this 2011 Act become operative January 2,**
17 **2018.**

18
