

2003 SENATE BILL 455

February 11, 2004 – Introduced by Senators SCHULTZ, BROWN and KEDZIE, cosponsored by Representatives MCCORMICK, MUSSER, FREESE, GRONEMUS and ALBERS. Referred to Committee on Agriculture, Financial Institutions and Insurance.

- 1 **AN ACT** *to amend* 126.44 (1) (b); and *to create* 126.44 (1) (d) of the statutes;
2 **relating to:** financial information required to be provided by milk contractors.

Analysis by the Legislative Reference Bureau

Current law requires milk contractors to be licensed by the Department of Agriculture, Trade and Consumer Protection (DATCP). A milk contractor is an entity that buys milk from dairy farmers. A licensed milk contractor must file a financial statement with DATCP during each license year. The law requires the financial statement to either be audited by an independent certified public accountant or reviewed by an independent certified public accountant. Many milk contractors are also required to pay into the agricultural producer security fund. The fund makes payments to farmers when a milk contractor, or other agricultural contractor, defaults on payments to farmers.

This bill exempts certain licensed milk contractors from the requirement to provide an annual audited or reviewed financial statement to DATCP. The bill provides that a milk contractor that is disqualified from participation in the agricultural producer security fund because it had negative equity when the agricultural producer security fund was established may instead file an annual compilation of financial information accompanied by a sworn and notarized statement that the financial information is correct.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SENATE BILL 455

1 **SECTION 1.** 126.44 (1) (b) of the statutes is amended to read:

2 126.44 (1) (b) Except as provided in par. (c) or (d), a milk contractor licensed
3 under s. 126.41 (1) shall file an annual financial statement with the department
4 during each license year. The milk contractor shall file the annual financial
5 statement by the 15th day of the 4th month following the close of the milk
6 contractor's fiscal year. The department may extend the filing deadline for up to 30
7 days if the milk contractor, or the accountant preparing the financial statement, files
8 a written extension request at least 10 days before the filing deadline.

9 **SECTION 2.** 126.44 (1) (d) of the statutes is created to read:

10 126.44 (1) (d) Rather than filing an annual financial statement under par. (b),
11 a milk contractor who is disqualified under s. 126.45 (3) (a) may file, during each
12 fiscal year, a compilation of financial information that is satisfactory to the
13 department along with the milk contractor's sworn and notarized statement that the
14 financial information is correct. The milk contractor shall file the financial
15 information by the 15th day of the 4th month following the close of the milk
16 contractor's fiscal year. The department may extend the filing deadline for up to 30
17 days if the milk contractor, or an accountant preparing the financial information,
18 files a written extension request at least 10 days before the filing deadline.

19 **(END)**