

Senate Substitute for HOUSE BILL No. 2102

AN ACT concerning agriculture; relating to eggs; clarifying repackaging requirements for retailers; amending K.S.A. 2020 Supp. 2-2507 and 2-2510 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2020 Supp. 2-2507 is hereby amended to read as follows: 2-2507. (a) For the purpose of financing the administration and enforcement of this act, there is hereby levied an inspection fee on all graded eggs sold, offered or exposed for sale or distributed to food purveyors or retailers at the rate of 3.5 mills for each dozen eggs. Such fee shall be paid by the last handler. The inspection fee shall be paid only once on the same quantity of eggs so long as such eggs remain in the eggs' original container *or have been repackaged in accordance with this act and are graded higher than grade B.*

(b) The secretary shall provide inspection fee stamps for sale to persons requesting such stamps. The price of such inspection fee stamps shall include the printing and mailing costs thereof. Such inspection fee stamps shall also serve as a label indicating size and quality in boldface type letters not less than $\frac{3}{8}$ inch in height.

(c) Persons desiring to report and pay the inspection fee quarterly, in lieu of using such inspection fee stamps, may make application to the secretary for a permit to pay the inspection fee quarterly, except that in no event shall the inspection fee for any quarter be less than \$15. The secretary may grant the permit if the applicant agrees to keep such records and make such report as may be necessary to indicate accurately the quantity of eggs sold on which the inspection fee is due, and if the applicant agrees to grant the secretary permission to verify the statement of quantity of eggs sold. The report shall be filed in the office of the secretary, and shall be due and payable on the first day of October, January, April and July for the previous three months. If the report is not filed and the inspection fee is not paid within 30 days after the due date, or if the report of quantity is false, the secretary may revoke the permit. In addition to the inspection fee there may be assessed against the permit holder a penalty of \$5 per day for each day the inspection fee remains unpaid after the 30-day period has expired. Such records of quantity sold shall be held for a period of three years.

(d) If the department finds that the fees specified in this section are providing more funds than necessary for the administration of this act, the department may reduce the above-mentioned fee pursuant to rules and regulations adopted by the secretary. The secretary may increase such fee when necessary, pursuant to rules and regulations adopted by the secretary, except that such fee shall not exceed the rate specified in subsection (a). The secretary shall remit all moneys received by or for the secretary under article 25 of chapter 2 of *the* Kansas Statutes Annotated, and amendments thereto, to the state treasurer in accordance with the provision of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the egg fee fund. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of agriculture or by a person or persons designated by the secretary.

Sec. 2. K.S.A. 2020 Supp. 2-2510 is hereby amended to read as follows: 2-2510. (a) A retailer may ~~repack~~ *repackage* eggs, *including dirty eggs or eggs from containers with broken eggs*, located in a store as long as the following requirements are met:

~~(1) Eggs eligible for repacking include dirty eggs or eggs in containers with broken eggs. Eggs that are determined to pose a health risk shall not be eligible for repacking;~~

~~(2) the eggs are not subject to a stop sale order issued by the secretary;~~

~~(3) eggs cannot be repacked more than once;~~

~~(4) repacked~~

- (1) *The eggs do not pose a health risk;*
 - (2) *the eggs are not subject to an embargo issued by the secretary;*
 - (3) *the eggs have not previously been repackaged;*
 - (4) *the eggs remain subject to inspection and the requirements of this act;*
 - (5) *no container with repackaged eggs is labeled with a declaration of enhanced quality or with any claim that did not appear on the original container;*
 - (6) *all eggs with undamaged shells are handled and repackaged employing good manufacturing practices under refrigerated conditions in accordance with United States food and drug administration regulations;*
 - (7) *all damaged containers and packaging material identified with the United States department of agriculture grade shield are destroyed;*
 - (8) *all damaged eggs are properly segregated to prevent human consumption; and*
 - (9) *the eggs satisfy the standards of subsection (b) or (c).*
- (b) *Repackaged eggs may be graded as grade B if the following standards are met:*
- ~~(1) The eggs must meet grade B requirements and shall not be graded higher than grade B, except as provided in subsection (b);~~
 - (5)(2) *all containers shall have the necessary following labeling requirements printed on the outside of the carton which shall include:*
 - (A) *Grade B and size;*
 - (B) *a statement saying that the eggs have been repackaged by the retailer where the eggs are located;*
 - (C) *name and address of the retailer that repackaged the eggs;*
 - (D) *a statement containing the phrase, "Keep refrigerated at or below 45° Fahrenheit";*
 - (E) *the expiration date which shall be that is the earliest expiration date of the repackaged eggs; and*
 - (F) *an inspection fee stamp on the carton indicating that the inspection fee has been paid, unless repackaged as described in subsection (b) in a carton that has already been assessed the inspection fee; and*
 - ~~(6)(3) records must be kept and available for inspection on all eggs repackaged by the retailer; and~~
 - ~~(7) eggs remain subject to inspection and the requirements of this act.~~
- (b)(c) *Repackaged eggs may be graded higher than grade B if:*
- ~~(1) undamaged eggs from damaged containers are placed only into containers that are already labeled with the same distributor and packer information, including the name, address, Kansas egg license number or United States department of agriculture plant number; and packaging code;~~
 - ~~(2) no container with repackaged eggs are labeled with a declaration of enhanced quality or with any claim that did not appear on the original container;~~
 - ~~(3) all eggs with undamaged shells are handled and repackaged employing good manufacturing practices under refrigerated conditions in accordance with United States food and drug administration regulations;~~
 - ~~(4) all damaged containers and packaging material identified with the United States department of agriculture grade shield are destroyed; and~~
 - ~~(5) all segregated inedible eggs are properly destroyed to prevent human consumption.~~
- (e)(d) *Retailers may lose the privilege to repack eggs if:*
- (1) *The retailer is found postdating repackaged eggs;*
 - (2) *the eggs do not meet grade B or higher standards; and*
 - (3) *the retailer has violated any other provision of this act.*
- ~~(d)(e) The provisions of this section shall be a part of and~~

supplemental to the Kansas egg law.

Sec. 3. K.S.A. 2020 Supp. 2-2507 and 2-2510 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the House, and passed that body

HOUSE concurred in

SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.