

**SECOND ENGROSSMENT
with Senate Amendments**

Fifty-sixth
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1290

Introduced by

Representatives Meyer, Nicholas, Froelich

Senators Kinnoin, Solberg, Wanzek

1 A BILL for an Act to create and enact a new chapter to title 36 of the North Dakota Century
2 Code, relating to a state meat inspection program; to provide a penalty; to provide for a
3 transfer; to provide a statement of legislative intent; and to provide an appropriation.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new chapter to title 36 of the North Dakota Century Code is created and
6 enacted as follows:

7 **Definitions.** In this chapter, unless the context otherwise requires:

- 8 1. "Adulterated" means a whole carcass, part of a carcass, or meat food product:
 - 9 a. That bears or contains a poisonous or harmful substance that may render it
 - 10 injurious to health;
 - 11 b. That bears or contains a chemical pesticide that is unsafe under the federal
 - 12 Food, Drug, and Cosmetic Act [21 U.S.C. 301 et seq.];
 - 13 c. That bears or contains a food or color additive that is unsafe under the federal
 - 14 Food, Drug, and Cosmetic Act [21 U.S.C. 301 et seq.];
 - 15 d. That contains a filthy, putrid, or decomposed substance or is for any other
 - 16 reason unfit for human food;
 - 17 e. That has been prepared, packed, or held under unsanitary conditions;
 - 18 f. That is wholly or partly the product of an animal that has died in a manner
 - 19 other than slaughter;
 - 20 g. The container of which is wholly or partly composed of a poisonous or harmful
 - 21 substance that may make the contents harmful to health;
 - 22 h. That has been intentionally subjected to radiation, unless the use of the
 - 23 radiation conformed with a regulation or exemption in effect under the federal
 - 24 Food, Drug, and Cosmetic Act [21 U.S.C. 301 et seq.];

- 1 i. That is damaged or inferior and that damage or inferiority has been
2 concealed; or
- 3 j. That has had a substance added to it or mixed or packed with it so as to
4 increase its bulk or weight, or make it appear better than or of greater value
5 than it is.
- 6 2. "Animal" includes cattle, swine, sheep, goats, farmed cervidae, llama, ratite,
7 horses, equines, and other large domesticated animals, not including poultry.
- 8 3. "Commissioner" means the commissioner of agriculture.
- 9 4. "Container" includes a can, pot, tin, canvas, or other receptacle containing a meat
10 food product.
- 11 5. "Custom processing" means slaughtering, eviscerating, dressing, or processing an
12 animal or processing meat products for the owner of the animal or of the meat
13 products, if all meat products derived from the custom operation are returned to
14 the owner of the animal or of the meat products.
- 15 6. "Intrastate commerce" means commerce within this state.
- 16 7. "Meat food product" means a product usable as human food and made wholly or in
17 part from meat or a portion of an animal carcass. The term does not include any
18 product that contains meat or other portions of the carcasses of animals in a
19 relatively small proportion or which historically have not been considered by
20 consumers as a product of the meat food industry, and which is not represented as
21 a meat food product.
- 22 8. "Prepared" means slaughtered, canned, salted, rendered, boned, cut up, or
23 otherwise manufactured or processed.

24 **Inspectors - Appointments - Duties.**

- 25 1. The commissioner shall appoint inspectors to examine and inspect meat food
26 products prepared solely for intrastate commerce in a slaughtering, meat canning,
27 salting, packing, or similar establishment. The inspections must take place at any
28 time during which the slaughtering of animals or the preparation of food products is
29 being conducted. Upon completing an inspection, the inspector shall mark, stamp,
30 tag, or label the product "North Dakota inspected and passed" if it is unadulterated

- 1 or as "North Dakota inspected and condemned" if the product is found to be
2 adulterated.
- 3 2. The commissioner shall appoint inspectors to examine and inspect each
4 slaughtering, meat canning, salting, packing, or similar establishment in which
5 meat food products are prepared solely for intrastate commerce. The
6 commissioner shall adopt rules of sanitation applicable to these establishments. If
7 any facility does not meet the sanitary conditions required by the commissioner,
8 the commissioner may not allow any meat food product from that facility to be
9 labeled, marked, stamped, or tagged as "North Dakota inspected and passed".
- 10 3. Meat food products inspected and passed under this chapter may be sold at retail
11 in this state.
- 12 4. Neither the commissioner, nor any inspector appointed by the commissioner, may
13 undertake any activity that is duplicative of an activity performed by meat
14 inspectors of the United States department of agriculture.

15 **Access by inspectors - Penalty.**

- 16 1. The commissioner and any authorized representative of the commissioner have
17 access to:
- 18 a. Any place where food or any other product, the manufacture, sale, use, or
19 transportation of which is restricted, regulated, or prohibited by a law of this
20 state, is or may be manufactured, prepared, stored, sold, used, transported,
21 offered for sale or transportation, or possessed with intent to use, sell, or
22 transport;
- 23 b. Any place where an animal is pastured or stabled;
- 24 c. Any car or other carriage used to transport a meat food product or an animal;
25 and
- 26 d. Any place where food is or may be cooked, prepared, sold or kept for sale to
27 or for the public or distributed as a part of the compensation of an employee
28 or agent; and
- 29 e. Any place where a meat food product may be manufactured, sold, used,
30 offered for sale or transportation, or possessed with intent to use, sell, or
31 transport.

- 1 2. The commissioner and any authorized representative of the commissioner may
2 inspect any container believed to hold food, a food ingredient, or some other
3 product, the manufacture, use, sale, or transportation of which is restricted,
4 regulated, or forbidden by state law, and may take samples from it for analysis.
5 3. It is a class A misdemeanor for any person to obstruct entry or inspection under
6 this chapter or to fail, upon request, to assist in an inspection authorized by this
7 chapter.

8 **Marks and labels.**

- 9 1. If a meat food product which is inspected and marked "North Dakota inspected and
10 passed" is being placed or packed in a container, the person preparing the product
11 shall attach to the container, under supervision of an inspector, a label indicating
12 that the product has been "North Dakota inspected and passed". An inspection
13 under this chapter is not complete until the product has been sealed or enclosed in
14 the container, under the supervision of an inspector.
15 2. A meat food product inspected under this chapter and found not to be adulterated
16 must bear, directly or on its container, a legible label or official mark as required by
17 the commissioner.
18 3. The commissioner shall prescribe by rule the style and size of type to be used in
19 labeling meat under this chapter and standards of identity, composition, and fill of
20 container for meat food products inspected under this chapter, but the standards
21 must be consistent with those established under federal law.

22 **False or misleading marks, labels, and containers.** A person may not sell in
23 intrastate commerce any meat food product subject to inspection under this chapter under a
24 name, mark, or label which is false or misleading, or in a container of a misleading form or size.
25 If the commissioner has reason to believe that a mark, label, or container is false or misleading,
26 the commissioner may direct that its use be withheld unless the mark, label, or container is
27 modified in a manner approved by the commissioner. If the person using or proposing to use
28 the mark, label, or container does not accept the determination of the commissioner, the person
29 may request a hearing. The commissioner may direct that the mark, label, or container not be
30 used pending a hearing and final determination by the commissioner. A determination by the

1 commissioner is conclusive unless the person adversely affected appeals to the district court
2 within thirty days after receiving the notice of final determination.

3 **Prohibitions.** A person may not:

- 4 1. Slaughter an animal or prepare an article usable as human food at any
5 establishment preparing articles solely for intrastate commerce, unless the person
6 complies with this chapter;
- 7 2. Sell, transport, offer for sale or transportation, or receive for transportation, in
8 intrastate commerce any article that is usable as human food and which is
9 adulterated or misbranded or any article that has not been inspected and passed
10 under this chapter; or
- 11 3. Alter an article that is usable as human food while the article is being transported
12 in intrastate commerce or held for sale after transportation, if the alteration is
13 intended to cause or has the effect of causing the article to be adulterated or
14 misbranded.

15 **Official marks and certificates - Required authorization.** A person may not:

- 16 1. Cast, print, or otherwise make a device containing an official mark, simulation of an
17 official mark, label bearing a mark or simulation, or form of official certificate or
18 simulation, without authorization from the commissioner;
- 19 2. Forge an official device, mark, or certificate;
- 20 3. Use a real or simulated official device, mark, or certificate, or alter, detach, deface,
21 or destroy an official device, mark, or certificate, without authorization from the
22 commissioner;
- 23 4. Fail to use an official device, mark, or certificate if appropriate;
- 24 5. Knowingly possess, without promptly notifying the commissioner, a counterfeit,
25 simulated, forged, or improperly altered official certificate, device, or label, or a
26 whole carcass or part of a carcass bearing a counterfeit, simulated, forged, or
27 improperly altered official mark;
- 28 6. Knowingly make a false statement in a certificate; or
- 29 7. Knowingly represent falsely that an article has been inspected and passed, or
30 exempted, under this chapter.

1 **Horse meat - Requirements.** A person may not sell, transport, offer for sale or
2 transportation, or receive for transportation in intrastate commerce whole carcasses or parts of
3 carcasses of horses, mules, or other equines or meat food products derived from them, unless
4 they are plainly and conspicuously marked, labeled, or otherwise identified to show the kinds of
5 animals from which they were derived. The commissioner by rule may require that the
6 preparation of whole equine carcasses, parts of equine carcasses, and equine meat food
7 products take place in establishments separate from those in which cattle, sheep, swine, or
8 goats are slaughtered or in which their carcasses, parts of their carcasses, or meat food
9 products are prepared.

10 **Bribery.** A person may not give or receive anything of value to influence the
11 performance of an inspector under this chapter.

12 **Individual and custom processing.**

- 13 1. This chapter does not apply to an individual processing the individual's own
14 animals and the individual's preparation and transportation in intrastate commerce
15 of the whole carcasses, parts of carcasses, and meat food products provided the
16 animals are for the exclusive use of the individual, members of the individual's
17 household, the individual's nonpaying guests, and employees.
- 18 2. This chapter does not apply to the custom processing by a person of animals
19 delivered by the owner for processing, and the preparation or transportation in
20 intrastate commerce of the whole carcasses, parts of carcasses, and meat food
21 products of the animals, provided that the products are to be used exclusively in
22 the household of the animal's owner by the owner and members of the owner's
23 household, nonpaying guests, and employees.
- 24 3. A custom processor may not engage in the business of buying or selling whole
25 carcasses, parts of carcasses, or meat food products of animals usable as human
26 food unless the whole carcasses, parts of carcasses, or meat food products have
27 been inspected and passed and are identified as inspected and passed by the
28 commissioner or the United States department of agriculture.

29 **Storing and handling conditions.** The commissioner shall adopt rules regarding the
30 manner in which all whole carcasses, parts of carcasses, and meat food products of animals
31 usable as human food and subject to this chapter must be stored, handled, and transported.

1 **Articles not intended as human food.** The commissioner may not provide inspection
2 under this chapter at an establishment for the slaughter of animals or the preparation of
3 carcasses or parts or products of animals which are not intended for use as human food.
4 Before these articles are offered for sale or transportation in intrastate commerce, they must be
5 denatured or otherwise identified, as prescribed by rules of the commissioner, to deter their use
6 for human food, unless they are naturally inedible by humans. A person may not buy, sell,
7 transport, offer for sale or transportation, or receive for transportation, in intrastate commerce,
8 any carcasses, parts of carcasses, or meat food products of animals which are not intended for
9 use as human food, unless the articles are denatured or otherwise identified.

10 **Records.** The following persons shall keep records that fully and accurately disclose
11 the transactions described:

- 12 1. A person in the business of slaughtering animals or preparing, freezing, packaging,
13 or labeling animal carcasses, parts, or products of carcasses for use as human or
14 animal food.
- 15 2. A person buying, selling, transporting, or storing animal carcasses or parts or
16 products of animal carcasses.
- 17 3. A person rendering or buying, selling, or transporting dead, dying, disabled, or
18 diseased animals or parts of the carcasses of animals that died other than by
19 slaughter.

20 **Records - Examination.** Upon notice by the commissioner, any person subject to the
21 recordkeeping requirements of this chapter shall give the commissioner and the United States
22 department of agriculture access to their places of business at all reasonable times and an
23 opportunity to examine the facilities, inventory, and records of the business, to copy business
24 records, and to take reasonable samples of their inventory upon payment of the fair market
25 value of the samples.

26 **Records - Retention.** Any person subject to the recordkeeping requirements of this
27 chapter shall maintain the records for the period prescribed by the commissioner.

28 **Registration of business.** A person may not engage in intrastate business as a meat
29 broker, renderer, or animal food manufacturer; a wholesaler of animal carcasses, carcass parts
30 or products of carcasses, intended for human food or other purposes; a public warehouse
31 operator storing carcasses or parts of carcasses of animals in or for intrastate commerce; or a

1 buyer, seller, or transporter of dead, dying, disabled, or diseased animals, or parts of the
2 carcasses of animals that died other than by slaughter, unless the person first provides the
3 commissioner with the person's name, the address of each place of business under which the
4 person conducts business, and all trade names under which, the person conducts business.

5 **Dead, dying, disabled, or diseased animals - Rules.** The commissioner shall adopt
6 rules to ensure that dead, dying, disabled, or diseased animals are not used as human food.

7 **Cooperation with federal government.** The commissioner shall cooperate with the
8 United States department of agriculture to develop and administer the state meat inspection
9 program provided for under this chapter and to ensure that its requirements are at least equal
10 to those imposed by federal law. The commissioner may accept, from the United States
11 department of agriculture, advice and assistance in planning and otherwise developing the
12 state meat inspection program; technical and laboratory assistance and training, including
13 necessary curricular and instructional materials and equipment; and financial and other
14 assistance for the administration of the program.

15 **Refusal or withdrawal of inspection.**

16 1. For the length of time the commissioner considers necessary to carry out the
17 purposes of this chapter, the commissioner may refuse to provide, or withdraw,
18 inspection services from an establishment if after a hearing the commissioner
19 determines that the recipient or potential recipient is unfit to engage in any
20 business requiring inspection under this chapter because the recipient, potential
21 recipient, or anyone responsibly connected with the recipient or potential recipient
22 has been convicted of:

23 a. An offense determined by the commissioner to have a direct bearing on the
24 person's ability to serve the public in a business requiring inspection under
25 this chapter, or the commissioner determines the person is not sufficiently
26 rehabilitated under section 12.1-33-02.1;

27 b. More than one violation of a law based on the acquisition, handling, or
28 distributing of unwholesome, mislabeled, or deceptively packaged food; or

29 c. Fraud in connection with transactions involving food.

30 2. For the purpose of this section anyone responsibly connected with a business
31 means an individual who is a partner, officer, director, holder, or owner of ten

1 percent or more of its voting stock or an employee in a managerial or executive
2 capacity.

3 **Detention of animals or products.** If an inspector finds a whole carcass, part of a
4 carcass, or meat food product, a product exempted from the definition of a meat food product,
5 or a dead, dying, disabled, or diseased animal on premises where it is held for purposes of,
6 during, or after distribution in intrastate commerce, and the inspector reasonably believes that
7 the article is adulterated or misbranded and is usable as human food, or that it has not been
8 inspected, in violation of this chapter or federal law, or that the article or animal has been or is
9 intended to be distributed in violation of this chapter or federal law, the inspector may detain the
10 article for up to twenty days pending a hearing or notification of federal authorities having
11 jurisdiction over the article or animal. The article may not be moved by any person from the
12 place at which it was located when detained, until released by the commissioner. The
13 commissioner may require all official marks to be removed from the article or animal before it is
14 released unless the commissioner is satisfied that the article or animal is eligible to retain the
15 official marks.

16 **Seizure and condemnation.** The commissioner may initiate action to seize and
17 condemn a whole carcass, part of a carcass, or meat food product, or a dead, dying, disabled,
18 or diseased animal that is being transported in intrastate commerce, or is held for sale in this
19 state after transportation in intrastate commerce if:

- 20 1. The article is or has been prepared, sold, transported, or otherwise distributed or
21 offered or received for distribution in violation of this chapter;
- 22 2. The article is usable as human food and is adulterated or misbranded; or
- 23 3. The article is in any other way violative of this chapter.

24 **Sale of condemned items.** If an article or animal is condemned, it must be disposed
25 of by destruction or sale, as directed by a court. If it is sold, the proceeds must be paid to the
26 state, less the court costs, fees, storage, and reasonable expenses, but the article or animal
27 must not be sold contrary to this chapter or federal law. If a bond is delivered conditioned that
28 the article or animal not be sold or otherwise disposed of contrary to this chapter or federal law,
29 the court may direct that the article or animal be delivered to its owner subject to supervision by
30 the commissioner.

1 **Types of proceedings - Award of costs.** If a decree of condemnation is entered
2 against an article or animal and it is released under bond or destroyed, a court may award
3 costs, fees, storage, and other reasonable expenses against any person intervening as a
4 claimant of the article or animal. Either party to a proceeding may demand trial by jury of any
5 issue of fact joined in the case, and all proceedings must be in the name of the state. Nothing
6 in this section changes the authority for condemnation or seizure otherwise conferred by law.

7 **Powers of commissioner.** For the purposes of this chapter, the commissioner may:

- 8 1. Gather and compile information concerning and investigate the organization,
9 business, conduct, practices, and management of a person in intrastate commerce
10 and the person's relation to other persons.
- 11 2. Require that a person engaged in intrastate commerce file with the commissioner,
12 in the form and manner prescribed by the commissioner, annual and special
13 reports or written answers to specific questions, giving the commissioner the
14 information the commissioner requires about the organization, business, conduct,
15 practices, management, and relation to other persons, of the person filing the
16 reports or answers.
- 17 3. Examine and copy documentary evidence of a person being investigated or being
18 proceeded against. A person may not refuse to submit the commissioner, for
19 inspection and copying, any documentary evidence of a person subject to this
20 chapter in the person's possession or control.
- 21 4. A person required by this chapter to file an annual or special report may not fail to
22 do so within the time fixed by the commissioner, and continue the failure for thirty
23 days after notice of failure to file.
- 24 5. Adopt rules to implement this chapter, including establishing inspection fees for
25 providing inspection services under this chapter.

26 **Interstate shipment.** Meat and meat products inspected under this chapter may be
27 shipped in interstate commerce when federal law permits state inspected meat and meat
28 products to be marketed interstate.

29 **General penalty.** Violation of this chapter or a rule adopted under this chapter is a
30 class A misdemeanor. The commissioner is not required to report for prosecution or for the

1 institution of injunctive proceedings a minor violation of this Act if the commissioner believes
2 that the public interest will be adequately served by a suitable written warning.

3 **SECTION 2. APPROPRIATION.** There is hereby appropriated from special funds
4 derived from federal funds and other income, the sum of \$454,000, or so much of the sum as
5 may be necessary, to the agriculture commissioner for the purpose of implementing and
6 operating the state meat inspection program for the biennium beginning July 1, 1999, and
7 ending June 30, 2001.

8 **SECTION 3. TRANSFER.** The Bank of North Dakota shall transfer the sum of
9 \$250,000 from uncommitted funds of the agricultural partnership in assisting community
10 expansion fund to the agriculture department's operating fund for the purpose of implementing
11 and operating the state meat inspection program for the biennium beginning July 1, 1999, and
12 ending June 30, 2001.

13 **SECTION 4. ESTABLISHMENT OF STATE MEAT INSPECTION RULES -**
14 **TEMPORARY COMMITTEE.** The agriculture commissioner shall appoint a committee to assist
15 in establishing administrative rules for the state meat inspection program which meet the
16 requirements of the United States department of agriculture for the biennium beginning July 1,
17 1999, and ending June 30, 2001. The committee consists of the agriculture commissioner or
18 the commissioner's designee; the vice president of agricultural affairs at North Dakota state
19 university; the state veterinarian or the veterinarian's designee; and four individuals appointed
20 by the agriculture commissioner, one of whom represents producers, one of whom represents
21 processors, and two consumer members. The agriculture commissioner or the commissioner's
22 designee is chairman of the committee. Each appointed member is entitled to receive sixty-two
23 dollars and fifty cents per day as compensation for time actually spent devoted to the duties as
24 provided in this section and is entitled to receive necessary expenses in the same manner and
25 amounts as state officials for attending meetings and performing other functions of the office.

26 **SECTION 5. LEGISLATIVE INTENT.** It is the intent of the fifty-sixth legislative
27 assembly that the agriculture commissioner complete the promulgation of rules for the state
28 meat inspection program and begin operating the program by July 1, 2000; however, if it is not
29 possible to begin by July 1, 2000, the commissioner may begin the program at a later date but
30 not later than January 1, 2001.