

NORTH CAROLINA GENERAL ASSEMBLY
1965 SESSION

CHAPTER 936
HOUSE BILL 1045

1 AN ACT TO CLARIFY AND AMEND THE NORTH CAROLINA MILK COMMISSION
2 LAW.

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4 The General Assembly of North Carolina do enact:

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6 **Section 1.** Subsection (10) of G.S. 106-266.8 is hereby amended by adding a new
7 sentence at the end of said subsection to read as follows:

8 "When a distributor handles or processes milk within the State of North Carolina, the
9 subsequent resale of the milk outside the State shall not affect the right of the Commission to
10 establish and enforce the minimum price to be paid to producers for such milk. In establishing
11 producer prices for milk moving into other states, the Commission shall take into consideration
12 prevailing producer prices established by state or federal milk control agencies operating in
13 such other states."

14 **Sec. 2.** G.S. 106-266.21 is hereby amended by adding at the end thereof the
15 following:

16 "In the absence of specific proof to the contrary by a retailer as evidenced by a reasonable
17 standard or method of accounting regularly employed by such retailer, the 'cost' of the milk to
18 the retailer shall be deemed to be the invoice price paid or incurred for the purchase of milk,
19 plus a minimum of seven per cent (7%) of the invoice price, computed to the nearest half cent
20 (1/2¢) per sales unit, this being deemed to be a reasonable allocation of the retailer's expense in
21 marketing its milk. Where a retailer processes its own milk, or purchases its milk from a
22 subsidiary corporation, the term 'cost' as used herein shall be deemed to be the prevailing price
23 at which milk is being purchased in that market area by competing retailers, plus a minimum of
24 seven per cent (7%) thereof, computed to the nearest half cent (1/2¢) per sales unit, in the
25 absence of specific proof to the contrary in the manner set out above, both as to all costs
26 involved in processing the milk as well as the cost of doing business by the retailer. The prima-
27 facie case of a violation of this Section, made by proof of sale below cost, may be rebutted by
28 proof of any of the following facts: (1) the merchandise was damaged, or (2) the milk was sold
29 upon the final liquidation of a business, or (3) the milk was sold to an organized charity or to a
30 relief agency, or (4) the milk was sold by an officer acting under the direction of any court."

31 **Sec. 3.** All laws and clauses of laws in conflict with this Act are hereby repealed.

32 **Sec. 4.** This Act shall be in full force and effect from and after its ratification.

33 In the General Assembly read three times and ratified, this the 10th day of June,
34 1965.