Amendment No. 343

Assembly A	(BDR 51-559)							
Proposed by: Assembly Committee on Natural Resources								
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes								
Adoption of this amendment will REMOVE the 2/3s majority vote requirement from A.B. 399.								
ASSEMBLY	ACTION	Initial and Date	SENATE ACTION	Initial and Date				
Adopted	Lost		Adopted Los	st				
Concurred In	Not		Concurred In No	ot				
Receded	Not		Receded No	ot				

EXPLANATION: Matter in (1) blue bold italics is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) red strikethrough is deleted language in the original bill; (4) purple double strikethrough is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

ALA/WLK



Date: 4/20/2021

A.B. No. 399—Revises provisions governing the production and sale of eggs and egg products. (BDR 51-559)

ASSEMBLY BILL NO. 399-COMMITTEE ON NATURAL RESOURCES

March 25, 2021

Referred to Committee on Natural Resources

SUMMARY—Revises provisions governing the production and sale of eggs and egg products. (BDR 51-559)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

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EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to eggs; prohibiting a farm owner or operator in this State from knowingly confining egg-laying hens in fan enclosure which is not a eage free housing system or is a eage free housing system that has insufficient usable floor space for each egg-laying hen;] certain enclosures; requiring a farm owner or operator to obtain [a certificate] an endorsement stating that the egg products or shell eggs sold, offered or exposed for sale or transported for sale within this State were produced by an egg-laying hen housed in an enclosure that is not prohibited; [requiring the payment of an application fee and renewal fee for such certificates;] authorizing the State Department of Agriculture to deny, suspend or revoke [a certificate] such an endorsement for certain causes; providing for an appeal within 10 business days after such an action; prohibiting [a business owner or operator from doing business with a farm owner or operator that does not have a certificate;] certain acts related to the sale of egg products in shell eggs; providing that the Department or an authorized inspector or agent of the Department is entitled to free access during regular business hours to the farm, business [] or records [or vehicles] of a farm owner or operator or business owner or operator to carry out certain inspections; authorizing the State Quarantine Officer to adopt regulations; [, including regulations establishing reasonable fees and charges;] providing [that certain civil penalties apply to any person who violates any provisions of this bill; a civil penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth various provisions governing the grades and standards for the sale of eggs in this State. (NRS 583.110-583.210) Sections [2-22] 1.3-22 of this bill [require that] enact provisions to prohibit an egg product or egg from being sold, offered for [sell] sale or transported for the purpose of [selling] sale within this State [be] that is produced by an egglaying hen that is [housed in a cage-free housing system.] confined in certain enclosures.

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Section 1.3 of this bill provides that the Legislature finds and declares that the regulation of egg production on farms and of the sale of eggs and egg products in this State is necessary to protect the health and welfare of its citizens, promote food safety and advance animal welfare.

Section 15 of this bill prohibits, on or after July 1, 2022, a farm owner or operator in this State from knowingly confining an egg-laying hen in an enclosure which has less than 1 square foot of usable floor space per egg-laying hen. Section 15 prohibits, on or after January 1, 2024, a farm owner or operator in this State from knowingly confining an egg-laying hen in an enclosure which: (1) is not a cage-free housing system; or (2) is a cagefree housing system that has insufficient usable floor space for each egg-laying hen. Section 5 of this bill provides that an egg-laying hen is a female chicken, turkey, duck, goose or guinea fowl that is domesticated and is kept for the purpose of producing eggs commercially. **Section** 3 of this bill provides that a cage-free housing system is an enclosure for egg-laying hens which is located indoors or outdoors, in which egg-laying hens are unrestricted and free to roam under certain circumstances and which: (1) provides egg-laying hens enrichment that allows them to exhibit natural behaviors; (2) enables farm employees to provide care while standing within the usable floor space of the system; and (3) for a system located indoors, allows the egg-laying hens to be unrestricted and free to roam within the system. Section 15 exempts [certain farm owners or operators] from this prohibition certain confinements of an egg-laving hen if the [farm owner or operator confines an egg-laving hen or has confined an] egg-laying hen is confined during certain activities.

Existing law requires a person who is an actual producer of farm products, including, without limitation, eggs, to obtain a certificate as an actual producer of farm products from the State Department of Agriculture. (NRS 576.128; NAC 576.300-576.440) Before selling, offering or exposing for sale or transporting for sale egg products or shell eggs within this State, section 16 of this bill requires a farm owner or operator to [be issued a certificate obtain from the State Department of Agriculture stating an endorsement of the certificate indicating that the egg products or shell eggs sold, offered or exposed for sale or transported for sale within this State were are produced by an egg-laying hen which was confined in a manner that complies with section 15. Section 16 requires the farm owner or operator to [pay any applicable fees, as established in regulation by the State Quarantine Officer, and to submit certain information to the Department to apply for [a eertificate.] such an endorsement, including evidence that the enclosure for egg-laying hens has been inspected by [the Department or the Department's inspector or agent.] a government inspector or a private inspection or process verification provider to ensure compliance. Section 16 provides that [a certificate] an endorsement is valid for [1 year from the date of its issuance. the same period as the certificate as an actual producer issued to the farm owner or operator. Section 16 additionally sets forth how such fa eertificate an endorsement may be renewed [, requires that a renewal fee be paid] and authorizes the Department to require an inspection of the enclosure for egg-laying hens before renewing the feertificate. Section 16 prohibits the Department from renewing a certificate of a farm owner or operator who fails, without good cause, to submit the renewal fee to the Department within a certain period of time.] endorsement.

Section 17 of this bill authorizes the Department to deny an application for [a certificate] an endorsement or a renewal of [a certificate] an endorsement or to suspend or revoke [a eertificate] an endorsement upon the following grounds: (1) the failure or refusal of a farm owner or operator to comply with the provisions governing cage-free housing systems; (2) the failure or refusal of a farm owner or operator to cooperate with an inspection; or (3) a farm owner or operator selling, offering or exposing for sale or transporting for sale egg products or shell eggs within this State without [a certificate.] an endorsement. Section 18 of this bill provides that a farm owner or operator whose [certificate] endorsement is denied, suspended or revoked may, not later than 10 business days after such denial, suspension or revocation, file a notice of appeal to the Department.

Section 19 of this bill prohibits a business owner or operator from knowingly selling, offering or exposing for sale or transporting for sale egg products or shell eggs within this State that the business owner or operator knows or should have known were produced by an egg-laying hen which was confined in a manner that [did not comply] conflicts with the standards set forth in section 15. Section 19 requires a business owner or operator to: (1) obtain a copy of the certificate with the endorsement issued pursuant to section 16 issued

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to a farm owner or operator before doing business with the farm owner or operator; (2) retain a copy of the certificate; and (3) provide the copy of the certificate to the Department upon request. Section 19 provides that it is a defense to any action to enforce this bill that a business owner or operator relied in good faith upon a certificate obtained from a farm owner or operator.

Section 20 of this bill requires the Department to enforce the provisions of this bill. Section 20 provides that the Department or an authorized inspector or agent of the Department is entitled to free access during regular business hours to the farm, business $\frac{1}{12}$ or records [or vehicle] of a farm owner or operator or business owner or operator to ensure compliance with the provisions of this bill. Section 20 authorizes the Department to employ such inspectors or agents and requires the State Quarantine Officer, who is the Director of the Department, to adopt regulations governing the enforcement of this bill, including regulations governing such inspections. I

Section 21 of this bill authorizes the State Quarantine Officer to adopt such regulations as he or she deems necessary to carry out the provisions of this bill. [...including regulations that establish reasonable fees and charges.]

Existing law provides that any person violating certain provisions is subject to a civil penalty that does not exceed: (1) for the first violation, \$250; (2) for the second violation, \$500; and (3) for each subsequent violation, \$1,000. (NRS 583.700) **Section 22** of this bill provides that any person who violates any of the provisions of this bill is subject to these civil penalties.

Section 23 of this bill provides that this bill is in addition to and supplemental to the powers conferred by any other law protecting animal welfare. Section 23 provides that the provisions of this bill must not be construed as to prevent the exercise of any power granted by any other law to any officer, agent or employee of this State or of a county or local governing body in this State that protect animal welfare. Section 23 provides that this bill does not prevent a county or local governing body from adopting and enforcing its own animal welfare rules or ordinances that are more stringent than the provisions of this bill.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** Chapter 583 of NRS is hereby amended by adding thereto the provisions set forth as sections 21.3 to 22, inclusive, of this act.
- The Legislature finds and declares that that the regulation of egg Sec. 1.3. production on farms in this State and the regulation of the sale of eggs and egg products in this State is necessary to:
- Protect the health and welfare of consumers and its citizens;
 - Promote food safety; and
 - Advance animal welfare.
- Sec. 1.7. As used in sections 1.3 to 22, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 2 to 14, inclusive, of this act have the meanings ascribed to them in those sections.
- Sec. 2. "Business owner or operator" means any person who owns or controls the operations of a business.
- Sec. 3. 1. "Cage-free housing system" means an enclosure for egg-laying hens which is located indoors or outdoors, in which egg-laying hens are unrestricted and free to roam except as otherwise provided in paragraph (c), and which:
- (a) Provides egg-laying hens enrichment that allows the egg-laying hens to exhibit natural behaviors, including, without limitation, scratch areas, perches, nest boxes and dust bathing areas;
- (b) Enables farm employees to provide care while standing within the usable floor space fof the system; for the egg-laying hens; and

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- (c) For a system located indoors, allows the egg-laying hens to be unrestricted and free to roam, except for the presence of:
 - (1) Exterior walls; and
- (2) Interior fencing that is used to contain the entire flock of egg-laying hens within the system or to subdivide the flock of egg-laying hens into smaller groups if such interior fencing:
- (I) Enables farm employees to walk through each contained or subdivided area to provide care to egg-laying hens; and
- (II) Provides each egg-laying hen the minimum amount of usable floor space, as set forth in section 15 of this act.
 - 2. The term includes, without limitation:
- (a) Multi-tiered aviaries, partially slatted systems and single-level, all-litter floor systems which satisfy the conditions set forth in paragraphs (a), (b) and (c) of subsection 1; and
- (b) Any future systems which satisfy the conditions set forth in paragraphs (a), (b) and (c) of subsection 1.
- 3. The term does not include systems that are commonly referred to as battery cages, colony cages, enriched cages, enriched colony cages, modified cages, convertible cages, furnished cages or any similar cage system.
- Sec. 4. 1. "Egg [product"] products" means [an egg] the eggs of an egglaying hen that [is:] are:
 - (a) [Broken] Separated from the [shell] shells of the [egg;] eggs;
 - (b) Intended for human consumption in liquid, solid, dried or frozen form;
 - (c) Raw or cooked; and
- (d) In a form with the yolks and whites in their natural proportions or with the yolks and whites separated, mixed or mixed and strained.
- 2. The term does not include pizzas, cookies, cookie dough, ice cream, mixes used for making pancakes or cakes and any other combination food product that is composed of more than egg products, sugar, salt, water, seasoning, coloring, flavoring, preservatives, stabilizers or similar food additives.
- Sec. 5. "Egg-laying hen" means a female chicken, turkey, duck, goose or guinea fowl that is domesticated and is kept for the purpose of producing eggs commercially.
 - Sec. 6. "Enclosure" means a structure used to confine an egg-laying hen.
- Sec. 7. 1. "Farm" means the land, buildings, support facilities and equipment used wholly or partially for the purpose of commercially producing animals or animal products that are used for food.
- 2. The term does not include live animal markets or official plants [where inspections are required] if the market or plant is receiving inspection service pursuant to the Egg Products Inspection Act, 21 U.S.C. §§ 1031 et seq.
- Sec. 8. "Farm owner or operator" means a person who owns a farm or controls the operations of a farm.
- Sec. 9. "Multi-tiered aviary" means a cage-free housing system where egglaying hens have unrestricted access to multiple elevated flat platforms that provide the egg-laying hens with usable floor space both on top of and underneath the platforms.
- Sec. 10. "Partially slatted system" means a cage-free housing system where egg-laying hens have unrestricted access to elevated flat platforms under which manure drops through the flooring to a pit or belt that remove manure which is below the platforms.
- Sec. 11. 1. "Sale" means a commercial sale by a business that sells any item covered by sections [2] 1.3 to 22, inclusive, of this act which occurs at the location where the buyer takes physical possession of the item.

- 2. The term does not include a sale undertaken at an official plant where mandatory inspections are frequired maintained pursuant to the Egg Products Inspection Act. 21 U.S.C. §§ 1031 et sea.
- Inspection Act, 21 U.S.C. §§ 1031 et seq.

 Sec. 12. "Shell egg" means a whole egg of an egg-laying hen that is in its shell form and intended for human consumption.
- Sec. 13. "Single-level, all-litter floor system" means a cage-free housing system that uses litter for a ground cover and where egg-laying hens have limited or no access to elevated flat platforms.
- Sec. 14. 1. "Usable floor space" means the total square footage of floor space provided to each egg-laying hen, as calculated by dividing the total square footage of floor space provided to egg-laying hens in an enclosure by the total number of egg-laying hens in that enclosure.
- 2. The term includes both ground space and elevated flat or nearly flat platforms upon which the egg-laying hens can roost.
 - 3. The term does not include perches or ramps.
- Sec. 15. 1. Except as otherwise provided in [subsection 2,] subsections 2 and 3, on or after July 1, 2022, a farm owner or operator in this State shall not knowingly confine an egg-laying hen in an enclosure which has less than 1 square foot of usable floor space per egg-laying hen.
- 2. Except as otherwise provided in subsection 3, on or after January 1, 2024, a farm owner or operator in this State shall not knowingly confine an egglaying hen in an enclosure which:
 - (a) Is not a cage-free housing system; or
 - (b) Is a cage-free housing system that has less than:
- (1) One square foot of usable floor space per egg-laying hen if the cagefree housing system provides egg-laying hens with unrestricted access to elevated flat platforms <u>including</u>, without limitation, unrestricted access in a multi-tiered aviary or partially slatted system; or
- (2) One and one-half square feet of usable floor space per egg-laying hen if the cage-free housing system does not provide unrestricted access to elevated flat platforms including, without limitation, unrestricted access in a single-level, all-litter floor system.
- [2.] 3. The [prohibition] prohibitions in [subsection] subsections 1 [does] and 2 do not apply to [a farm owner or operator that confines] the confinement of an egg-laying hen [or causes an egg laying hen to be confined] during:
 - (a) Medical research for which the egg-laying hen is used;
- (b) The examination, testing or treatment of or a surgical procedure performed on the egg-laying hen that is conducted by a person licensed to practice as a veterinarian pursuant to chapter 638 of NRS [;] or a person who is under the direct supervision of a person licensed to practice as a veterinarian pursuant to chapter 638 of NRS;
 - (c) The transportation of the egg-laying hen;
- (d) A State or county fair exhibition, 4-H program and other similar exhibition involving the egg-laying hen;
- (e) The slaughter of the egg-laying hen so long as the slaughter complies with the rules and regulations governing the slaughtering of such animals; or
- (f) Temporary periods for animal husbandry purposes. Such temporary periods must last not more than 6 hours in any 24-hour period and not more than 24 hours in total of such temporary periods are allowed in any 30-day period.
- Sec. 16. 1. A farm owner or operator shall not sell, offer or expose for sale or transport for sale egg products or shell eggs within this State unless the farm owner or operator has been issued a certificate by the Department pursuant to NRS 576.128 and an endorsement of the certificate by the Department

indicating that the egg products or shell eggs were produced by an egg-laying hen which was confined in a manner that complies with section 15 of this act.

- 2. To apply for [a certificate] an endorsement required [pursuant to] by subsection 1, a farm owner or operator must submit to the Department [+] with an application for a certificate or renewal of a certificate issued pursuant to NRS 576.128:
 - (a) A completed application on a form provided by the Department;
- (b)] An attestation that the farm owner or operator confined the egg-laying hens in a manner that complies with section 15 of this act; and
 - [(c) Any applicable fees, as set forth by the State Quarantine Officer by regulation; and
- (d)] (b) Evidence that the enclosures for egg-laying hens [are inspected in accordance with the regulations adopted pursuant to section 20 of this act. Documentation proving that the enclosures for egg-laying hens] have been inspected by [an inspector or agent employed by the Department shall be sufficient evidence that the enclosures for egg-laying hens are inspected in accordance with the regulations adopted pursuant to section 20 of this act.] a person described in subsection 4.
- 3. The Department shall issue [a certificate] the endorsement required by subsection 1 to [each qualified] an applicant if:
- (a) The farm owner or operator submits the information required pursuant to subsection 2; and
- (b) The Department determines that such information is sufficient <u>[+] to</u> indicate compliance with section 15 of this act.
- 4. The Department may use a government inspector, including, without limitation, an inspector who is employed, contracted with or authorized by the Department, or a private inspection or process verification provider to ensure compliance with sections 1.3 to 22, inclusive, of this act during the production and the handling of egg products and shell eggs. If the Department uses such an inspector or provider, the Department must approve the inspector or provider as competent to ensure compliance with sections 1.3 to 22, inclusive, of this act.
- 5. Each [certificate] endorsement issued pursuant to subsection 3 is valid for [1 year from the date of issuance.
- 5. The the period for which the certificate issued pursuant to NRS 576.128 is valid.
- 6. If a holder of a certificate issued pursuant to NRS 576.128 holds an endorsement issued pursuant to this section, the Department shall f, not later than 45 days before a certificate issued pursuant to subsection 3 expires, send a include in any notice of renewal of the certificate provided to the holder of the certificate f. The notice must include:
- (a) The amount of the fee for the renewal of the certificate, as set forth by the State Quarantine Officer by regulation; and
- (b) The date on which the application for the renewal of the certificate and fee for renewal must be returned to the Department.] a notice to renew the endorsement issued pursuant to this section.
- [6.] 7. The Department may require an inspection of the enclosure for egglaying hens to determine whether to renew [the eertificate.] an endorsement issued pursuant to this section. If the Department determines that an inspection of the enclosure is required for the renewal of the [certificate.] endorsement, the [certificate] endorsement remains in effect until the [certificate.] endorsement expires or until the Department makes a determination whether to renew the [certificate.] endorsement, whichever occurs later.

- [7. The Department shall not renew the certificate of a farm owner or operator who fails, without good cause, to submit the fee for renewal to the Department at least 30 days before the certificate expires. The provisions of this subsection do not prohibit a farm owner or operator from applying for a new certificate.]
- 8. The Department may not charge a fee for the issuance or renewal of an endorsement pursuant to this section.
- Sec. 17. The Department may deny an application for a certificate or an application for the renewal of [a certificate] an endorsement submitted pursuant to section 16 of this act or suspend or revoke [a certificate] an endorsement issued pursuant to section 16 of this act upon any of the following grounds:
- 1. The failure or refusal of a farm owner or operator to comply with the provisions of sections [2] 1.3 to 22, inclusive, of this act, or any regulations adopted by the State Quarantine Officer pursuant thereto;
- 2. The failure or refusal of a farm owner or operator to cooperate with an inspection conducted [by the Department] pursuant to section 16 or 20 of this act; or
- 3. Selling, offering or exposing for sale or transporting for sale egg products or shell eggs within this State without being issued a certificate pursuant to NRS 576.128 and an endorsement issued pursuant to section 16 of this act.
- Sec. 18. A farm owner or operator who is aggrieved by an action of the Department concerning the denial, suspension or revocation of [a certificate] an endorsement pursuant to section 17 of this act may, not later than 10 business days after the date on which the action of the Department is taken, file a notice of appeal to the Department in the manner set forth by the State Quarantine Officer by regulation.
- Sec. 19. 1. A business owner or operator shall not knowingly sell, offer or expose for sale or transport for sale egg products or shell eggs within this State if the business owner or operator knows or should have known that the egg products or shell eggs were produced by an egg-laying hen which was confined in a manner that [does not comply] conflicts with the standards set forth in section 15 of this act.
- 2. A business owner or operator shall obtain a copy of the certificate issued pursuant to NRS 576.128 that contains the endorsement issued pursuant to section 16 of this act from the farm owner or operator to whom the certificate is issued before doing any business governed by sections [2] 1.3 to 22, inclusive, of this act with the farm owner or operator.
 - 3. The business owner or operator shall:
 - (a) Retain a copy of the certificate obtained pursuant to subsection 2; and
 - (b) Provide a copy of the certificate to the Department upon request.
- 4. It is a defense to any action to enforce sections [2] 1.3 to 22, inclusive, of this act that a business owner or operator relied in good faith upon a certificate obtained pursuant to subsection 2.
- Sec. 20. 1. The Department shall enforce the provisions of sections [2] 1.3 to 22, inclusive, of this act.
- 2. The Department or an authorized inspector or agent of the Department is entitled to free access during regular business hours to an applicable farm or business and to the records of such a farm owner or operator or business owner or operator for may enter any vehicle being used to transport or hold egg laying hens, egg products or shell eggs in commerce, for the purpose of inspecting such farm, business for record for vehicles to determine whether any of the provisions of sections [2] 1.3 to 22, inclusive, of this act are being or have been violated.

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30 31 32 necessary within any revenues generated or appropriation provided for the purpose of carrying out and enforcing the provisions of sections 2 to 22, inclusive, of this act. If the Department employs such inspectors or agents, the Department must approve each inspector or agent as competent to ensure compliance with sections 2 to 22, inclusive, of this act.

[3. The Department may employ such inspectors or agents as may be

4. The State Quarantine Officer shall adopt regulations governing the enforcement of sections 2 to 22, inclusive, of this act. Such regulations must include, without limitation, rules governing the inspection of farms, businesses, records, vehicles, egg-laying hens, egg products and shell eggs.]

Sec. 21. The State Quarantine Officer may adopt such regulations as he or she deems necessary for carrying out the provisions of sections 22, inclusive. Fineluding, without limitation, the establishment of reasonable fees and charges.

Sec. 22. Any person who violates any of the provisions of sections 1.3 to 22, inclusive, of this act is subject to a civil penalty pursuant to NRS 583.700.

- Sec. 23. 1. The provisions of this act are in addition to and supplemental to, and not in substitution for, the powers conferred by any other law protecting animal welfare.
- 2. The provisions of this act must not be construed as to prevent the exercise of any power granted by any other law to any officer, agent or employee of this State or of a county or local governing body in this State that protects animal welfare.
- The provisions of this act do not prevent a county or local governing body from adopting and enforcing its own animal welfare rules or ordinances that are more stringent than the provisions of this act.
 - Sec. 24. 1. This section becomes effective upon passage and approval.
 - Sections 1 to 23, inclusive, of this act become effective:
- (a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and
 - (b) July 1, 2022, for all other purposes.