

# Legislative Analysis



## ANIMAL INDUSTRY ACT REVISIONS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 174 (S-2) as passed by the Senate**  
**Sponsor: Sen. Kevin Daley**

Analysis available at  
<http://www.legislature.mi.gov>

**Senate Bill 179 as passed by the Senate**  
**Sponsor: Sen. Roger Victory**

**Senate Bill 182 (S-1) as passed by the Senate**  
**Sponsor: Sen. Ed McBroom**

**Senate Bill 180 as passed by the Senate**  
**Sponsor: Sen. Dan Lauwers**

**Senate Bill 183 as passed by the Senate**  
**Sponsor: Sen. Ed McBroom**

**Senate Bill 181 (S-1) as passed by the Senate**  
**Sponsor: Sen. Dan Lauwers**

**Senate Bill 361 as passed by the Senate**  
**Sponsor: Sen. Jim Ananich**

**House Committee: Agriculture**  
**Senate Committee: Agriculture**  
**Complete to 10-29-19**

## SUMMARY:

**Senate Bill 174** would amend the Animal Industry Act to clarify and reorganize many of its provisions. Briefly, the bill would do all of the following:

- Amend existing definitions, remove outdated or unnecessary definitions, and create new definitions to reflect current standards and laws.
- Move several definitions from various sections within the act to the definitions section at the beginning of the act.
- Replace “livestock” with “animal” in several provisions throughout the act, particularly those that deal with the importation of animals into the state, the inspection of animals for disease, and the exhibition of animals.
- Move several provisions from various sections within the act to other sections within the act, to consolidate, for example, provisions regarding fines and penalties, or those that deal with the authority of the director of the Michigan Department of Agriculture and Rural Development (MDARD).
- Rearrange provisions relating to MDARD’s ability to utilize a law enforcement agency, bovine tuberculosis and chronic wasting disease oversight, and zoning requirements.
- Prohibit a person from moving animals or any items that have been quarantined without the permission of the director of MDARD.
- Add references to the Large Carnivore Act (2000 PA 274) and Wolf-Dog Cross Act (2000 PA 246) to generally prohibit the importation of large carnivores and wolf-dog crosses.
- Require the director of MDARD to notify the governor of a determination that a disease or condition in animals in this state poses an extraordinary emergency to the animal industry, public health, or the human food chain. The determination and subsequent notification would trigger certain processes and procedures, including allowing MDARD to develop, implement, and enforce scientifically based orders.

- Require the director of MDARD to act in consultation with the director of the Department of Health and Human Services (DHHS) in the event of an extraordinary emergency that causes a significant impact on public health.
- Remove references to a genetically engineered variant when referring to species having the potential to spread diseases or cause other serious harm.
- Require that all cattle bear official identification unless their first destination point is an approved tagging site. A tattoo would not be a sufficient tag, and persons would be prohibited from removing or altering a tag or misrepresenting an animal's identification or ownership.
- Align Michigan law with the federal regulations for official identification under 9 CFR Part 86.
- Update MDARD's ability to seize or destroy animals based on new biosecurity practices.
- Rearrange and create provisions allowing MDARD to require movement controls for the movement of animals within Michigan and require owners of cervids (deer and related species) to notify MDARD within five business days of the movement of privately owned cervids.
- Add general surveillance testing provisions, as well as surveillance testing provisions for the equine (horse) industry and privately owned cervids, and definitions for the implementation of the testing.
- Move the authority for the state veterinarian and require that the state veterinarian serve as the authority for animal welfare oversight on livestock-related issues.
- Add that the state veterinarian could require reporting to MDARD of importation and use of veterinary biologicals or biological agents and could restrict the use of certain veterinary biologicals to veterinarians when the disease of biological involved has a substantial impact on public or animal health or the animal industry.
- Add required information when exporting animals from Michigan and exclude the Department of Natural Resources (DNR) from importation requirements of potentially diseased species.
- Update the requirements for exhibition facilities for animals, including carnivals and fairs.
- Add requirements regarding live bird markets, which would also apply to poultry imported to and housed at a live bird market. Separate requirements would have to be followed for persons housing baby poultry for sale to individuals for personal use.
- Revise animal care standards for egg-laying hens and delay, until December 31, 2025, their implementation. (Standards in the act currently will take effect in 2019.<sup>1</sup>) The bill would also prohibit, beginning in 2025, the sale of eggs from hens that are not kept in compliance with those care standards.
- Update numerous sections to reflect the above-described changes.
- Repeal a number of sections whose provisions are either no longer relevant or have been moved to another section in the act.

The bill would take effect 90 days after enactment.

MCL 287.701 et seq.

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<sup>1</sup> See the HFA summary of SB 660 of the 2017-18 legislative session for a brief discussion of the effective date of the standards now in the act: <http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-0660-940D98C7.pdf>

**Senate Bills 179 through 183 and 361** would amend various other acts to update their provisions to account for the Animal Industry Act changes described above. In general, the bills would amend citations of the Animal Industry Act to reflect the change in the Animal Industry Act's MCL number range or the movement of definitions or other provisions to different sections of the act.

Specifically, the following acts would be amended to update references to the Animal Industry Act, as described above:

- Agricultural Commodities Marketing Act (SB 179)
- Code of Criminal Procedure (SB 180)
- Michigan Penal Code (SB 181)
- Wildlife Depredations Indemnification Act (SB 182)
- Wolf-Dog Cross Act (SB 183)
- Michigan Fireworks Safety Act (SB 361)

All of these bills are tie-barred to SB 174, which means that they could not take effect unless SB 174 were enacted. Each bill would take effect 90 days after its enactment.

#### **FISCAL IMPACT:**

Section 1 of the Animal Industry Act currently states that the intention of the act is “to protect the health, safety, and welfare of humans and animals, consistent with applicable federal and state laws.”

The Animal Industry Act directs the MDARD director to appoint an individual as state veterinarian as the state's chief animal health officer. The act defines the responsibilities and authority of the MDARD director, the state veterinarian, and the department generally under the act.

The department's responsibilities under the Animal Industry Act are carried out primarily by the Animal Industry Division, headed by the state veterinarian. These activities are funded through an appropriation line item, *Animal disease prevention and response*, in the department's budget. The enacted FY 2019-20 MDARD budget includes the appropriation of \$9.8 million for the line item, of which \$9.0 million is appropriated from the state general fund. The department indicates that the bovine TB containment/eradication program accounts for approximately half of Animal Industry Division program activity.

As described in the body of this analysis, Senate Bill 174 is primarily a reorganization of the current Animal Industry Act. Many of the proposed changes to the Animal Industry Act would not materially alter the department's authority and responsibilities under the act.

However, the bill does make substantive changes to the department's responsibilities for regulation of privately owned cervids. The department's regulatory cervid program is funded from the *Animal disease prevention and response* line item. Annual MDARD regulatory costs are approximately \$300,000 (General Fund), which supports 2.0 full-time equated positions (central office staff) plus 0.6 full-time equated field position, plus supplies and testing costs. Senate Bill 174 would require that all cervid breeding herds join the herd certification program. The department indicates that this would require additional annual herd inventory

reconciliations, additional permitting requirements, and bovine TB testing of all herds at least once every ten years. Currently, there are 90 cervid herds in the certification program; the department anticipates that that would increase to 135. The department also estimates that the volume of intrastate movement permits to grow from 500 per year, to 2,500.

The department indicates that the additional workload generated by these provisions of the bill cannot be absorbed with existing staff, and would require an additional 1.0 full-time equated office staff position at an annual cost of approximately \$80,000 in salary, wages, and benefits.

Cervid regulatory fees currently generate approximately \$95,000. This revenue is collected by the Department of Natural Resources and is used to support, in part, its activities under the privately owned cervid regulatory program. None of this revenue is available for use in MDARD's regulatory program.

Senate Bill 174 also amends section 14 of the act related to appropriations for indemnification for animals ordered slaughtered, destroyed, or disposed of as a result of livestock disease or toxicological contamination. Section 14(5) currently authorizes MDARD to provide for indemnification, not to exceed \$100,000 per order, from any line item in the department's budget. Currently, indemnification in excess of \$100,000 per order effectively requires a specific appropriation by the legislature. Senate Bill 174 does not require a specific appropriation for indemnification, regardless of the amount of the indemnification; as long as the department had sufficient spending authority within appropriation line items, it would not have to request a specific appropriation for indemnification payments. Indemnification payments made by the department are relatively infrequent. There were no such payments made in FY 2018-19.

Senate Bill 174 would also have indeterminate but likely marginal costs for the Department of Attorney General. Costs would depend on whether provisions of the bill resulted in the Attorney General's taking civil actions against persons, business owners and operators who were in violation of the bill's requirements, and the number of cases that ensued. Costs could likely be supported by current funding levels.

Senate Bills 179 through 183 and 361 would have no fiscal impact on state or local government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.