



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 208 (as introduced 3-2-11)
Sponsor: Senator Joe Hune
Committee: Agriculture

Date Completed: 6-16-11

CONTENT

The bill would amend the Animal Industry Act to remove the \$4,000 cap on the amount of indemnification that may be paid for an animal destroyed in order to control disease.

The Act authorizes the Director of the Michigan Department of Agriculture and Rural Development to order the slaughter, destruction, or other disposition of livestock in order to control or eradicate a disease. The Director may allow indemnification for an animal that is slaughtered, destroyed, or otherwise disposed of, and the animal's owner may apply for indemnification.

As a rule, indemnification payments are limited to 100% of the fair market value of the destroyed animals. The indemnification payment for an individual animal may not exceed \$4,000. If indemnification is made for a whole herd, it may not exceed an average of \$4,000 per animal in the herd. (The amount of indemnification must include a deduction of compensation received from any other source, including the Federal government, insurance, or salvage value.)

The bill would remove the \$4,000 limits.

MCL 287.714

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would remove the requirement that indemnification of livestock or domestic animals from the State not exceed \$4,000 per animal or an average of \$4,000 per animal in a whole herd. While this would result in additional General Fund payments from the State to livestock or domestic animal owners, it is not possible at this time to establish the exact amount of these payments.

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.