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BILL ANALYSIS



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House Bill 5784 (Substitute H-2 as passed by the House)  
Sponsor: Representative Ben Glardon  
House Committee: Appropriations  
Senate Committee: Appropriations

Date Completed: 9-20-12

**CONTENT**

The bill would amend Public Act 284 of 1937, which provides for the regulation of livestock transactions and transportation, by updating many definitions, including those for livestock, buying stations, collection points, consignment sales, dealers, livestock truckers, brokers and agents. The bill also would incorporate into statute current regulatory practices concerning the prevention and spread of livestock diseases and animal safety and welfare and record-keeping required of livestock dealers, which are under the inspectional authority of the Michigan Department of Agriculture and Rural Development (MDARD). In addition, the bill would change the penalty for general noncompliance with provisions of the Act from a fine of not less than \$25 or more than \$100 to not less than \$300 or more than \$1,000, and would give the Director power to enforce the Act.

The bill also provides that those who violate the licensing provisions of the Act could be ordered to pay a civil fine of not less than \$100 or more than \$1,000, with each day of continuing violation being a separate violation, with a total limit on those fines of \$25,000.

In addition, the bill would amend the fee structure for annual licenses required under the Act by eliminating a separate licensing category for horse auctions and rolling that into the existing licensing requirement for livestock auctions, and creating a new licensing category for livestock truckers, which currently are licensed under the dealer/broker/agent licensure category. It would also create a separate license for collection point operator, instead of it being combined with buying stations licenses. The bill would exempt from fee payment any person who is an honorably discharged veteran of the armed forces of the United States. The bill also would move a September 30, 2012, sunset date for the collection of licensing fees to September 30, 2015, and add a \$10 late fee (not to exceed \$100) for applications. A comparison of the current fee schedule with that proposed under the bill is as follows:

	Current	H.B. 5784 (H-2)
Livestock auction	\$400	\$400
Buying station	\$250	\$250
Horse auction	\$150	---
Dealer/broker/agent	\$50	\$50
Collection point operator	\$250	\$50
Livestock trucker	---	\$25

The bill also would require the Department to act on a license application within 60 days rather than 90 days, as is current law, and would delete a requirement that the Department provide an annual report to the Legislature.

MCL 287.121 et al.

## **FISCAL IMPACT**

The bill would allow for the continuance of fee collection by the State for licenses related to livestock transactions and transportation under the Act, which totals approximately \$22,000 annually. The Department estimates that when the proposed changes to the fee schedule under the bill are taken into account, the anticipated revenue would be approximately the same as under the current schedule. This revenue estimate does not factor in the bill's provision that would exempt veterans from paying fees. There are approximately 780,000 veterans living in the State and it is not known how many would apply for licenses under the Act. The funds help support the regulatory activities of the Animal Industry Division of MDARD and are reflected in FY 2012-13 appropriations for the Department. If the sunset is not delayed, program support will be reduced.

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.