



**House  
Legislative  
Analysis  
Section**

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**ANIMAL INDUSTRY ACT:  
GENERAL AMENDMENTS**

**House Bill 5653 (Substitute H-2)  
First Analysis (4-23-96)**

**Sponsor: Rep. Carl F. Gnodtke  
Committee: Agriculture & Forestry**

***THE APPARENT PROBLEM:***

The Animal Industry Act (Public Act 466 of 1988) is the major state law governing domestic food animal health, and among the various animal food industries regulated under the act is aquaculture. At present, the aquaculture industry in Michigan is relatively small compared to other states, generating less than one percent of the nation's total aquaculture output. A package of bills recently introduced in and passed by the House, however, would create a new act to recognize aquaculture as a valid agricultural enterprise in the state and provide for its regulation (see the House Legislative Analysis Section analysis for House Bills 5555 and 5556, dated 3-26-96). The Department of Agriculture has requested amendments to the Animal Industry Act in conjunction with this legislation that would require persons who wish to import aquaculture into the state to obtain certain certification papers and other documents verifying the healthiness of their aquaculture species. In addition, numerous other amendments have been requested that would update the act to reflect recent changes made to federal law and to respond to a number of issues that have arisen within Michigan's animal industry.

***THE CONTENT OF THE BILL:***

The bill would amend the Animal Industry Act to establish minimum health requirements that aquaculture species would have to meet for importation into the state, update indemnification requirements and establish a maximum indemnification amount applicable to livestock, prohibit the feeding of garbage to swine, make various changes to disease testing requirements for poultry, and provide other general amendments.

Notification procedure, indemnification maximum. The act requires the director of the Department of Agriculture, upon finding that livestock are diseased or otherwise in a condition that warrants their destruction, to order those livestock to be slaughtered or destroyed. Once an order to dispose of diseased livestock is signed by the director, he or she must notify the attorney general of the order and the attorney general must notify the House and Senate Appropriations Committees

and the Department of Management and Budget regarding indemnification for the livestock. Under the bill, the director would directly notify the attorney general, DMB, and the House and Senate Appropriations Committees.

The bill would increase the maximum amount of indemnity that can be paid for each head of livestock from \$1,000 to \$1,250, and specifies that livestock that the department determined had been moved illegally within the state, or that had been imported without meeting import requirements, would not qualify for indemnification.

In addition, the act currently provides that indemnification is subject to the legislature's annual appropriations process, and that any agreement entered into between the department and a livestock owner must specify that, notwithstanding the agreement's terms, indemnification is subject to legislative appropriations. Under the bill, the department could provide indemnity not to exceed \$10,000 per order from any line item in the annual budget for the department in the applicable fiscal year, while agreements exceeding this amount would be subject to the appropriations process and would not be paid from department funds.

Aquaculture importation. The act currently requires all livestock imported into the state, except aquaculture, to be accompanied by various certificates, an ownership statement or sales invoice, a sales report (for poultry), and certain permits. The bill would eliminate the exception for aquaculture and provides that aquaculture imported into the state would have to be accompanied by a fish-disease information report.

Under the bill, a person could not import aquaculture into the state without a prior entry permit from the director of the Department of Agriculture and one of the following issued by an accredited veterinarian or a fish health official:

\* An official interstate health certificate;

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\* An official interstate certificate of veterinary inspection; or

\* A fish-disease inspection report.

Aquaculture from a hatchery or other facility with a record of an emergency fish disease within the past two years, and aquaculture exhibiting clinical signs of disease, could not be imported into the state.

Testing of imported livestock. The bill would prohibit someone from importing or moving intrastate livestock known to be affected with or exposed to tuberculosis or brucellosis, as determined by an official test, without the director's permission. If the director determined there was a threat to public health or animal health in the state, he or she could require additional testing and vaccination requirements for animals imported or to be imported into the state. Also, a person could not import into the state any animal species from an area under quarantine for that species for any infectious, contagious, or toxicological disease unless permission was granted by the director.

Currently, if an animal is imported into the state without required tests or documents, the director may take certain actions. The bill would allow the director in such instances to also do the following:

\* Order the slaughter, destruction, or other disposition of the livestock if he or she determined that control or eradication of a disease or condition of the livestock was warranted;

\* Allow a direct movement of the animal or animals to slaughter by permit;

\* Allow legal importation into another state.

Imported sheep, goats, new world camelids. Currently, the act requires that for sheep and goats to be imported into the state, their owner must obtain a prior entry permit, among other things. The bill would eliminate this requirement. The act also requires goats, prior to importation, to be tested for tuberculosis and brucellosis; under the bill, this requirement would apply only to goats at least six months old. A similar minimum-age provision would apply to the requirement that new world camelids (i.e., llamas, alpacas, vicunas, and guanacos) be tested for brucellosis before importation into the state.

Imported poultry. The act currently requires all poultry and hatching eggs imported into the state to be accompanied by certain documents, including either an official interstate health certificate, an official interstate

certificate of veterinary inspection, or a "report of sales of hatching eggs, chicks, and poults" (VS form 9-3) for participants in the National Poultry Improvement Plan, and to meet certain NPIP requirements. Under the bill, all poultry or hatching eggs imported into the state would have to be accompanied by one of these documents or by 1) an owner shipper statement or sales invoice if consigned directly to slaughter or 2) a "permit for movement of restricted animals" (VS form 1-27), if prior approval was granted by the director.

In addition, all poultry imported into the state, except those consigned directly to a state or federally inspected slaughter facility or to a livestock auction market for sale as slaughter poultry, would have to have:

\* originated directly from a U.S. pullorum-typhoid clean flock as defined in current federal regulations;

\* officially tested negative for salmonella pullorum-typhoid within 90 days before importation and been separated from all poultry of unknown or positive salmonella pullorum-typhoid test status.

(These provisions, among other requirements, would also apply to all poultry, except waterfowl, pigeons, and doves, that was publicly exhibited in the state.)

The bill also specifies that poultry and hatching poultry eggs, other than those moved directly from premises of origin to premises of final destination in the state, would either have to have 1) originated directly from a U.S. pullorum-typhoid clean flock as defined in current federal regulations, or 2) officially tested negative for salmonella pullorum-typhoid within 90 days before change of ownership and have been separated from all poultry of unknown or positive salmonella pullorum-typhoid test status, or both.

Data on captive cervidae. The bill would require the department to keep a current database on captive cervidae (i.e., farm-raised deer and elk) premises in the state, which would have to include the owner's name, current address, location of captive cervidae, their species, and the approximate number of such animals at the premises.

Prohibit garbage-feeding to swine. The bill would prohibit a person from exposing swine to garbage and from using garbage, offal (the waste parts resulting from the processing of animals, poultry, or fish), or carcasses as feed for swine. Under the bill, the director would have full access to inspect any premises or conveyance if he or she had reasonable grounds to believe or suspect that garbage, offal, or carcasses were being used as feed for swine or that any of these could

expose swine to a communicable disease. The director would have to quarantine swine determined to have been exposed to or in contact with any of these substances, and the quarantine would continue until the director determined the swine no longer were a threat to animal or public health. ("Garbage" would mean "any animal meat wastes, including poultry and fish wastes, or other animal material from the handling, processing, preparation, cooking, and consumption of foods," and would include, but not be limited to, any refuse that was associated with any animal meat at any time during these activities.)

**Requirements for exhibition.** The act currently requires a fair, exposition, or show authority to notify exhibitors of certain required health tests and importation certificates, and to examine and approve required health certificates and show papers prior to the livestock being unloaded. Under the bill, show papers would not need to be examined and approved, but reports, test charts, certificates, or other required documentation would have to be examined and approved before animals could be displayed, exhibited, or stabled in the exhibition area or commingled with other animals. A fair, exhibition, exposition, or show authority could require additional testing or vaccination of animals before entry and during the displaying event.

The act currently requires that for swine to be exhibited in the state, they must be individually identified by official identification, and must be accompanied--unless they originate from a Michigan county that was determined to be free of pseudorabies for at least one year prior to exhibition--by proof that all swine to be exhibited originate from a "stage IV" area or region or other low prevalence area recognized by the director, among other things. Under the bill, swine could not be exhibited unless it was demonstrated, among other things, that they originated as a direct movement from a swine premises located in a pseudorabies "stage III" area or region or other equivalent low prevalence area recognized by the director.

All swine removed from any exhibition area would have to be moved directly to a livestock auction market or slaughter facility premises for disposition, as required by applicable laws, unless all swine present at the displaying event at any time for any reason had entered the exhibiting facility in a pseudorabies-negative condition. Also, a fair, exposition, or show authority would have to provide shipping arrangements for all swine exhibited that were to be removed from those premises for direct movement to slaughter or a livestock auction market.

**Violations, actions, recovery of costs.** Under the bill, a person could not give false information in a matter pertaining to the act and could not resist, impede, or hinder the director in the discharge of his or her official duties.

Currently, the act specifies that any person authorized to enforce the state's animal health laws may issue an appearance ticket (as described and permitted under the Code of Criminal Procedure) for any violation of the act classified as a misdemeanor; the bill would delete this provision. Instead, the bill specifies that, upon finding that a person had violated the act or a promulgated rule, the director could 1) issue a warning, 2) impose an administrative fine of up to \$1,000 for each violation after notice and an opportunity for a hearing pursuant to the Administrative Procedures Act, and/or 3) issue an appearance ticket, along with a fine of up to \$300 or imprisonment for at least 30 days, or both.

The director would have to advise the attorney general if someone failed to pay an administrative fine, and the attorney general would have to bring a civil action in a court of competent jurisdiction to recover the fine as well as costs and fees. The court could allow the department to recover reasonable costs and attorney fees incurred in a prosecution that resulted in a conviction for certain violations under the act. Costs assessed and recovered under this provision would have to be paid to the state treasury and credited to the department for enforcement of the act.

**Repeal.** The bill would repeal a section of the act that permits the director, for purposes of controlling and eradicating poultry diseases in the state, to assure that each commercial hatchery and hatchery supply flock within the state qualifies as being free of certain poultry diseases as provided by the National Poultry Improvement Plan.

MCL 287.703 et al.

### **FISCAL IMPLICATIONS:**

The Department of Agriculture says the bill would not affect state or local budget expenditures. (4-22-96)

### **ARGUMENTS:**

#### **For:**

The bill would add language to the Animal Industry Act that has been requested by the Department of Agriculture to reflect changes made to federal law, and

in response to anticipated changes specific to Michigan and a number of issues raised by people involved in the state's animal industry. For example, another bill currently moving through the legislative process (House Bill 5555) would create the Michigan Aquaculture Development Act to both recognize and protect aquaculture as a valid agricultural enterprise in the state and to provide for its regulation. That legislation, along with a companion bill, would expand the number of aquaculture species that could be commercially produced, raised, and imported into the state, and amendments are needed to the Animal Industry Act to require various documentation attesting to the health of any aquaculture imported into the state. The bill proposes changes to the process of indemnifying livestock to ensure that farmers who lose cattle or other domestic animals to disease or for other reasons would receive financial help from the state sooner, including a provision that would permit the department to provide up to \$10,000 out of its own budget to indemnify an owner for lost livestock. This would enable the department to provide some immediate relief to a farmer who loses cattle; currently, a farmer often must wait several months before he or she receives indemnity via the legislative appropriations process. The bill also would raise the cap that applies to indemnity amounts that may be paid per head of cattle to \$1,250 from \$1,000 to reflect increases in the cost-of-living since 1987. Language relating to the feeding of garbage to swine is proposed in response to another bill (Senate Bill 823), which is expected to be acted on by the legislature soon, that would strike similar language from Public Act 173 of 1953. And finally, the bill would do all of the following: update requirements relating to disease eradication programs; more clearly define pullorum-typhoid testing requirements for poultry; provide fairs, exhibitions, and shows where livestock and other domestic farm animals are displayed more alternatives at the local level for health requirements and testing; require the department to maintain a database on farm-raised deer and elk and revise procedures relating to testing for tuberculosis in these types of animals; and give the department director more alternatives for levying penalties when a misdemeanor occurs. Many of these changes merely reflect language recently adopted in federal law.

### **POSITIONS:**

The Department of Agriculture supports the bill. (4-22-96)

The Michigan Farm Bureau supports the bill. (4-22-96)

The Michigan Veterinary Medical Association supports the bill. (4-17-96)

The Michigan Pork Producers Association supports the bill. (4-22-96)

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