



HOUSE BILL No. 5465

February 29, 2000, Introduced by Reps. Sheltroun, Neumann, Rivet, Spade and Bovin and referred to the Committee on Agriculture and Resource Management.

A bill to amend 1988 PA 466, entitled
"Animal industry act of 1987,"
by amending section 14 (MCL 287.714), as amended by 1998 PA 552.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) If it is determined by the director that the
2 control or eradication of a disease or condition of livestock
3 warrants the slaughter, destruction, or other disposition of the
4 livestock, the director shall order the slaughter, destruction,
5 or other disposition of the livestock. If the director has
6 signed an order for the slaughter, destruction, or other disposi-
7 tion of livestock, the director shall notify the attorney general
8 and the house and senate appropriations committees and the
9 department of management and budget on the issue of indemnity
10 under this section. The director may approve facilities for the
11 orderly disposal of animals, animal products, and animal feeds

1 for the purpose of controlling or preventing the spread of an
2 infectious, contagious, or toxicological disease. The director
3 may select a site or method for the disposal with the advice of
4 the director of the department of environmental quality.

5 (2) The director may, under rules promulgated by the depart-
6 ment, allow indemnification for the slaughter, destruction, or
7 other disposition of animals due to livestock diseases or toxico-
8 logical contamination. If the director has signed an order for
9 the slaughter, destruction, or other disposition of livestock,
10 the owner may apply for indemnification. The director shall
11 appraise and inventory the condemned livestock. The appraisals
12 and inventories shall be on forms approved by the director. The
13 director shall use state agricultural statistical service pricing
14 information to determine the value of condemned livestock. If
15 state agricultural statistical service pricing information is not
16 available, the director shall use agricultural pricing informa-
17 tion from commercial livestock auction markets and other live-
18 stock market information as determined by the director to deter-
19 mine the value of condemned livestock. Except as otherwise pro-
20 vided in subsection (3), ~~and until January 1, 2005, regarding~~
21 ~~any quarantine on animals or premises issued after January 1,~~
22 ~~1998,~~ indemnification shall be based upon ~~90%~~ 100% of the fair
23 market value of that type of livestock on the date of the
24 appraisal and marketable for the purpose for which the livestock
25 was intended, not to exceed ~~\$3,000.00~~ \$5,000.00 for each
26 animal. ~~except that after January 1, 2005, indemnification shall~~
27 ~~be based upon 75% of the fair market value of that type of~~

~~1 livestock on the date of the appraisal as if the livestock was~~
~~2 grade status and marketable for the purpose for which the live-~~
~~3 stock was intended, not to exceed \$1,250.00 for each animal. The~~
4 indemnification amount under this section shall include a deduc-
5 tion for any compensation received, or to be received, from any
6 other source including, but not limited to, indemnification by
7 the United States department of agriculture, insurance, salvage
8 value, or any monetary value obtained to encourage disposal of
9 infected or exposed livestock in accordance with a disease con-
10 trol or eradication program. The owner shall furnish to the
11 department all records indicating other sources of indemnity. An
12 affidavit signed by the owner attesting to the amount of compen-
13 sation for the livestock received or to be received from any
14 other source shall accompany the appraisal certificate prior to
15 indemnification under this section.

16 (3) The department may provide for indemnity pursuant to
17 this section not to exceed \$10,000.00 per order, from any line
18 item in the annual budget for the department in the applicable
19 fiscal year. Any agreement greater than \$10,000.00 entered into
20 between the department and an owner of livestock shall contain a
21 provision indicating that, notwithstanding the terms of the
22 agreement, indemnification shall be subject to specific appropri-
23 ations by the legislature and not be paid from department funds.

24 (4) Acceptance of indemnification under this section does
25 not enlarge or diminish the owner's civil remedy against a person
26 responsible for the owner's loss except that acceptance of the

1 indemnity constitutes a release of the claim of the owner against
2 the state.

3 (5) The right to indemnity from the state for animals con-
4 demned and ordered slaughtered, destroyed, or otherwise disposed
5 of by the director applies only to native livestock.

6 Indemnification shall not apply to livestock determined by the
7 department to be imported without meeting import requirements
8 such as official interstate health certificate or official inter-
9 state certificate of veterinary inspection, required testing,
10 required vaccination, or for livestock determined by the depart-
11 ment to have been illegally moved within this state. An owner is
12 not entitled to indemnity from the state for an animal that comes
13 into the possession of the owner with the owner's knowledge that
14 the animal is diseased or is suspected of having been exposed to
15 an infectious, contagious, or toxicological disease. In addi-
16 tion, the director shall not indemnify an owner for animals that
17 have been exposed to an animal that comes in to the possession of
18 the owner with the owner's knowledge that the animal is diseased
19 or is suspected of having been exposed to an infectious, conta-
20 gious, or toxicological disease.

21 (6) A premises that has been depopulated shall be cleaned
22 and disinfected as prescribed by the director.

23 (7) Repopulation of the premises, except as approved by the
24 director, shall not confer eligibility for future indemnity under
25 this section.

26 (8) The department may cooperate and coordinate with the
27 secretary of the United States department of agriculture or the

1 secretary's authorized representative or other governmental
2 departments or agencies regarding indemnification under this
3 section.