

SENATE BILL No. 643

September 20, 2001, Introduced by Senators NORTH, MC COTTER, HAMMERSTROM,
MC MANUS, GARCIA and GOSCHKA and referred to the Committee on Farming,
Agribusiness and Food Systems.

A bill to amend 1988 PA 466, entitled
"Animal industry act,"
by amending section 14 (MCL 287.714), as amended by 2000 PA 323.

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 entry onto property where livestock or domestic ani-
4 mals are located —, FOR seizure, slaughter, destruction, or
5 other disposition of the livestock or domestic animals, the
6 director shall order the entry onto property where livestock or
7 domestic animals are located —, FOR seizure, slaughter, destruc-
8 tion, or other disposition of the individual livestock or domes-
9 tic animals within the herd, flock, or school or an entire herd,
10 flock, or school. If the director has signed an order for the
11 slaughter, destruction, or other disposition of livestock or

1 domestic animals, the director shall notify the attorney general
2 and the house and senate appropriations committees and the
3 department of management and budget on the issue of indemnity
4 under this section. The director may approve facilities and pro-
5 cedures for the orderly disposal of animals, animal products, and
6 animal feeds for the purpose of controlling or preventing the
7 spread of an infectious, contagious, or toxicological disease.
8 The director may select a site or method for the disposal with
9 the advice of the director of the department of environmental
10 quality.

11 (2) The director may, under rules promulgated by the depart-
12 ment, allow indemnification for the slaughter, destruction, or
13 other disposition of livestock or domestic animals due to live-
14 stock diseases or toxicological contamination. If the director
15 has signed an order for the slaughter, destruction, or other dis-
16 position of livestock or domestic animals, the owner may apply
17 for indemnification. The director shall appraise and inventory
18 the condemned livestock or domestic animals. The appraisals and
19 inventories shall be on forms approved by the director. The
20 director shall use agricultural pricing information from commer-
21 cial livestock or domestic animal auction markets and other live-
22 stock or domestic animal market information as determined by the
23 director to determine the value of condemned livestock or domes-
24 tic animals.

25 (3) Except as otherwise provided in ~~subsection~~ SUBSECTIONS
26 (5) AND (6), indemnification for individual livestock or domestic
27 animals within a herd, flock, or school shall be based upon 100%

1 of the fair market value of that type of livestock or domestic
2 animal on the date of the appraisal and marketable for the pur-
3 pose for which the livestock or domestic animal was intended, not
4 to exceed \$4,000.00 for each livestock or domestic animal. The
5 appraisal determination shall not delay the slaughter, destruc-
6 tion, or disposition of the livestock or domestic animals. The
7 indemnification amount under this subsection shall include a
8 deduction for any compensation received, or to be received, from
9 any other source including, but not limited to, indemnification
10 by the United States department of agriculture, insurance, sal-
11 vage value, or any monetary value obtained to encourage disposal
12 of infected or exposed livestock or domestic animals in accord-
13 ance with a disease control or eradication program. The owner
14 shall furnish to the department all records indicating other
15 sources of indemnity. An affidavit signed by the owner attesting
16 to the amount of compensation for the livestock received or to be
17 received from any other source shall accompany the appraisal cer-
18 tificate before indemnification under this section.

19 (4) Except as otherwise provided in ~~subsection~~ SUBSECTIONS
20 (5) AND (6), indemnification for entire herd, flock, or school
21 depopulations of livestock or domestic animals shall be based
22 upon 100% of the fair market value of that type of animal on the
23 date of the appraisal and marketable for the purpose for which
24 the livestock or domestic animal was intended, not to exceed an
25 average of \$4,000.00 per animal in the flock, herd, or school.
26 The appraisal determination shall not delay depopulation. The
27 indemnification amount under this section shall include a

1 deduction for any compensation received, or to be received, from
2 any other source including, but not limited to, indemnification
3 by the United States department of agriculture, insurance, sal-
4 vage value, or any monetary value obtained to encourage disposal
5 of infected or exposed livestock or domestic animals in accord-
6 ance with a disease control or eradication program. The owner
7 shall furnish to the department all records indicating other
8 sources of indemnity. An affidavit signed by the owner attesting
9 to the amount of compensation for the livestock or domestic ani-
10 mals received, or to be received, from any other source shall
11 accompany the appraisal certificate prior to indemnification
12 under this section.

13 (5) FOR INDEMNITY MADE ON OR AFTER JANUARY 27, 1999, UNDER
14 SUBSECTION (3) OR (4) BUT BEFORE OCTOBER 31, 2000, THE DEPARTMENT
15 SHALL INDEMNIFY THE SLAUGHTER, DESTRUCTION, OR DISPOSITION OF
16 LIVESTOCK OR DOMESTIC ANIMALS IN THE AMOUNT SPECIFIED IN SUBSEC-
17 TION (3) OR (4) LESS THE AMOUNT ALREADY MADE UNDER SUBSECTION (3)
18 OR (4) BEFORE OCTOBER 31, 2000, BUT NOT TO EXCEED \$4,000.00 PER
19 ANIMAL. THE PERSON SEEKING INDEMNITY UNDER THIS SUBSECTION SHALL
20 PRESENT EVIDENCE ACCEPTABLE TO THE DIRECTOR OF FAIR MARKET VALUE
21 OF THAT TYPE OF ANIMAL ON THE DATE OF THE APPRAISAL AND MARKET-
22 ABLE FOR THE PURPOSE FOR WHICH THE LIVESTOCK OR DOMESTIC ANIMAL
23 WAS INTENDED.

24 (6) ~~—(5)—~~ The department may provide for indemnity pursuant
25 to this section not to exceed \$100,000.00 per order, from any
26 line item in the annual budget for the department in the
27 applicable fiscal year. Any agreement greater than \$100,000.00

1 entered into between the department and an owner of livestock
2 shall contain a provision indicating that, notwithstanding the
3 terms of the agreement, indemnification shall be subject to spe-
4 cific appropriations by the legislature and not be paid from
5 department funds.

6 (7) ~~-(6)-~~ Acceptance of compensation under this act consti-
7 tutes a full and complete release of any claim the owner has
8 against the state of Michigan, its departments, agencies, offi-
9 cers, employees, agents, and contractors to the extent these per-
10 sons were acting on behalf of the state, within the scope of
11 their employment with the state or under the direction of the
12 state, its departments, agencies, officers, or employees, arising
13 out of testing, purchase, removal, slaughter, destruction, and
14 other disposition of the owner's animals.

15 (8) ~~-(7)-~~ The right to indemnity from the state for animals
16 condemned and ordered slaughtered, destroyed, or otherwise dis-
17 posed of by the director applies only to native livestock and
18 native domestic animals. Indemnification shall not apply to
19 livestock or domestic animals determined by the department to be
20 imported without meeting import requirements such as official
21 interstate health certificate or official interstate certificate
22 of veterinary inspection, required testing, required vaccination,
23 or for livestock or domestic animals determined by the department
24 to have been illegally moved within this state. An owner is not
25 entitled to indemnity from the state for an animal that comes
26 into the possession of the owner with the owner's knowledge that
27 the animal is diseased or is suspected of having been exposed to

1 an infectious, contagious, or toxicological disease. In
2 addition, the director shall not indemnify an owner for animals
3 that have been exposed to an animal that comes in to the posses-
4 sion of the owner with the owner's knowledge that the animal is
5 diseased or is suspected of having been exposed to an infectious,
6 contagious, or toxicological disease.

7 (9) ~~-(8)-~~ A premises that has been depopulated shall be
8 cleaned and disinfected as prescribed by the director.

9 (10) ~~-(9)-~~ Repopulation of the premises, except as approved
10 by the director, shall not confer eligibility for future indem-
11 nity under this section.

12 (11) ~~-(10)-~~ The department may cooperate and coordinate with
13 the secretary of the United States department of agriculture or
14 the secretary's authorized representative or other governmental
15 departments or agencies regarding indemnification under this
16 section.

17 (12) ~~-(11)-~~ Not less than annually, within 60 days after the
18 close of the fiscal year, the director shall make a written
19 report to the standing committees of the house of representatives
20 and senate having jurisdiction on agricultural and farming
21 issues. The report will include the following:

22 (a) The amount expended by the department for bovine tuber-
23 culosis eradication during the preceding fiscal year.

24 (b) An explanation of the expenditures made by the depart-
25 ment for bovine tuberculosis eradication during the preceding
26 fiscal year.

1 (c) The status of bovine tuberculosis eradication efforts in
2 Michigan.

3 (13) ~~(12)~~ Not less than annually, within 60 days after the
4 close of the fiscal year, the director of the department of natu-
5 ral resources shall make a written report to the standing commit-
6 tees of the house of representatives and senate having jurisdic-
7 tion on agricultural and farming issues. The report will include
8 the following:

9 (a) The amount expended by the department of natural
10 resources for bovine tuberculosis eradication during the preced-
11 ing fiscal year.

12 (b) An explanation of the expenditures made by the depart-
13 ment of natural resources for bovine tuberculosis eradication
14 during the preceding fiscal year.