

HOUSE BILL No. 6498

September 24, 2008, Introduced by Rep. Hune and referred to the Committee on Agriculture.

A bill to amend 1988 PA 466, entitled
"Animal industry act,"
by amending section 14 (MCL 287.714), as amended by 2002 PA 458.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) If the director determines that the control or
2 eradication of a disease or condition of livestock warrants entry
3 onto property where livestock or domestic animals are located, the
4 director shall order the entry onto property where livestock or
5 domestic animals are located and authorize seizure, slaughter,
6 destruction, or other disposition of individual livestock or
7 domestic animals or the entire herd, flock, or school. If the
8 director has signed an order for the slaughter, destruction, or
9 other disposition of livestock or domestic animals, the director

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

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

23 (3) Except as otherwise provided in subsection (5),
24 indemnification for individual livestock or domestic animals within
25 a herd, flock, or school shall be based upon 100% of the fair
26 market value of that type of livestock or domestic animal on the
27 date of the appraisal and marketable for the purpose for which the

1 livestock or domestic animal was intended. ~~, not to exceed~~
2 ~~\$4,000.00 for each livestock or domestic animal.~~ The appraisal
3 determination shall not delay the slaughter, destruction, or
4 disposition of the livestock or domestic animals. The
5 indemnification amount under this subsection shall include a
6 deduction for any compensation received, or to be received, from
7 any other source including, but not limited to, indemnification by
8 the United States department of agriculture, insurance, salvage
9 value, or any monetary value obtained to encourage disposal of
10 infected or exposed livestock or domestic animals in accordance
11 with a disease control or eradication program. The owner shall
12 furnish to the department all records indicating other sources of
13 indemnity. An affidavit signed by the owner attesting to the amount
14 of compensation for the livestock received or to be received from
15 any other source shall accompany the appraisal certificate before
16 indemnification under this section.

17 (4) Except as otherwise provided in subsection (5),
18 indemnification for entire herd, flock, or school depopulations of
19 livestock or domestic animals shall be based upon 100% of the fair
20 market value of that type of animal on the date of the appraisal
21 and marketable for the purpose for which the livestock or domestic
22 animal was intended. ~~, not to exceed an average of \$4,000.00 per~~
23 ~~animal in the flock, herd, or school.~~ The appraisal determination
24 shall not delay depopulation. The indemnification amount under this
25 section shall include a deduction for any compensation received, or
26 to be received, from any other source including, but not limited
27 to, indemnification by the United States department of agriculture,

1 insurance, salvage value, or any monetary value obtained to
2 encourage disposal of infected or exposed livestock or domestic
3 animals in accordance with a disease control or eradication
4 program. The owner shall furnish to the department all records
5 indicating other sources of indemnity. An affidavit signed by the
6 owner attesting to the amount of compensation for the livestock or
7 domestic animals received, or to be received, from any other source
8 shall accompany the appraisal certificate prior to indemnification
9 under this section.

10 (5) The department may provide for indemnity pursuant to this
11 section not to exceed \$100,000.00 per order, from any line item in
12 the annual budget for the department in the applicable fiscal year.
13 Any agreement greater than \$100,000.00 entered into between the
14 department and an owner of livestock shall contain a provision
15 indicating that, notwithstanding the terms of the agreement,
16 indemnification shall be subject to specific appropriations by the
17 legislature and not be paid from department funds.

18 (6) Acceptance of compensation under this act constitutes a
19 full and complete release of any claim the owner has against the
20 state of Michigan, its departments, agencies, officers, employees,
21 agents, and contractors to the extent these persons were acting on
22 behalf of the state, within the scope of their employment with the
23 state or under the direction of the state, its departments,
24 agencies, officers, or employees, arising out of testing, purchase,
25 removal, slaughter, destruction, and other disposition of the
26 owner's animals.

27 (7) The right to indemnity from the state for animals

1 condemned and ordered slaughtered, destroyed, or otherwise disposed
2 of by the director applies only to native livestock and native
3 domestic animals. Indemnification shall not apply to livestock or
4 domestic animals determined by the department to be imported
5 without meeting import requirements such as official interstate
6 health certificate or official interstate certificate of veterinary
7 inspection, required testing, required vaccination, or for
8 livestock or domestic animals determined by the department to have
9 been illegally moved within this state. An owner is not entitled to
10 indemnity from the state for an animal that comes into the
11 possession of the owner with the owner's knowledge that the animal
12 is diseased or is suspected of having been exposed to an
13 infectious, contagious, or toxicological disease. In addition, the
14 director shall not indemnify an owner for animals that have been
15 exposed to an animal that comes in to the possession of the owner
16 with the owner's knowledge that the animal is diseased or is
17 suspected of having been exposed to an infectious, contagious, or
18 toxicological disease.

19 (8) A premises that has been depopulated shall be cleaned and
20 disinfected as prescribed by the director.

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

24 (10) The department may cooperate and coordinate with the
25 secretary of the United States department of agriculture or the
26 secretary's authorized representative or other governmental
27 departments or agencies regarding indemnification under this

1 section.

2 (11) Not less than annually, within 60 days after the close of
3 the fiscal year, the director shall make a written report to the
4 standing committees of the house of representatives and senate
5 having jurisdiction on agricultural and farming issues. The report
6 will include the following:

7 (a) The amount expended by the department for bovine
8 tuberculosis eradication during the preceding fiscal year.

9 (b) An explanation of the expenditures made by the department
10 for bovine tuberculosis eradication during the preceding fiscal
11 year.

12 (c) The status of bovine tuberculosis eradication efforts in
13 Michigan.

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

20 (a) The amount expended by the department of natural resources
21 for bovine tuberculosis eradication during the preceding fiscal
22 year.

23 (b) An explanation of the expenditures made by the department
24 of natural resources for bovine tuberculosis eradication during the
25 preceding fiscal year.