



Senate Fiscal Agency
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Senate Bill 27 (Substitute S-1 as reported)
Sponsor: Senator Goeff Hansen
Committee: Agriculture

CONTENT

The bill would amend the Privately Owned Cervidae Producers Marketing Act to do the following:

- Transfer administration of the Act from the Department of Natural Resources (DNR) to the Michigan Department of Agriculture and Rural Development (MDA).
- Require the DNR to review the site plan contained in an application for registration of a proposed facility, and approve or deny the plan.
- Require an applicant to obtain a variance from a local unit of government if a proposed facility would violate an ordinance.
- Require the MDA to approve or deny a completed application for a proposed facility within 90 days after the application was filed, rather than the current 120 days.
- Require an applicant for registration of a completed facility to be notified of the application's denial within 30 days after an inspection, rather than 60 days after the application was received.
- Require the MDA to make a decision regarding a denied application within 30 days after receiving a request for an informal review.
- Require a decision on renewal of a registration to be made within 30, rather than 60, days after the completed application was submitted.

The Act defines "cervidae livestock facility" as a privately owned cervidae livestock operation on privately controlled land capable of holding cervidae species. The bill specifies that each separate enclosure on a separate parcel of land would be a separate cervidae livestock facility.

MCL 287.952 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would transfer certain regulatory functions for privately owned cervidae livestock operations from the DNR to the MDA. Currently, both Departments have oversight responsibilities for this agricultural industry. The DNR regulates and enforces standards for cervid facilities, registers the 430-plus such operations, and administers a registration fee. The MDA's role is to ensure animal health through testing functions and other oversight, including determining import and movement requirements and issuing quarantines to contain disease outbreaks. The State cost of cervid facility regulation for FY 2009-10 within the DNR program was \$144,600, of which \$69,600 was supported by cervid program fee revenue and the balance of \$75,000 was General Fund/General Purpose funding. The revenue obtained from regulatory fees, charged to operators on a three-year

license basis, supported approximately one-third of the DNR's regulatory costs, according to a recent seven-year study of the program by the House Fiscal Agency. A history of cervid regulatory fee revenue collection is listed below:

Cervid Regulatory Fee Collections

Year	Fee Revenue
FY 2000-01	\$38,240
FY 2001-02	\$48,365
FY 2002-03	\$50,795
FY 2003-04	\$8,648
FY 2004-05	\$39,148
FY 2005-06	\$38,400
FY 2006-07	\$85,329
FY 2007-08	\$120,620
FY 2008-09	\$113,971
FY 2009-10	\$69,629

Under the Governor's FY 2011-12 budget recommendation for the Department of Natural Resources, it has been proposed that regulatory fees be increased in two cervid facility categories, ranch and full, from the current \$750 to \$2,250 for a three-year license. The administration estimated that this would generate \$214,500 in additional revenue for FY 2011-12, bringing the fee revenue total for the year to \$334,600, the exact amount proposed for the DNR regulatory costs of the program, thus removing the need for General Fund/General Purpose funding and making the DNR-run regulatory program self-sufficient. Legislation would be needed to increase the fees.

It should also be noted that while Senate Bill 27 (S-1) would transfer general program oversight to the MDA, certain costs of ensuring proper regulation of the industry would remain with the DNR (siting evaluation and enforcement-related consultation) without the benefit of fee support. In addition, there likely would be some start-up costs for the MDA as the Department began its primary regulatory role.

Date Completed: 5-25-11

Fiscal Analyst: Bruce Baker