



Senate Fiscal Agency
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Senate Bill 27 (as introduced 1-19-11)
Sponsor: Senator Goeff Hansen
Committee: Agriculture

Date Completed: 5-18-11

CONTENT

The bill would amend the Privately Owned Cervidae Producers Marketing Act to transfer the administration of the Act from the Department of Natural Resources (DNR) to the Michigan Department of Agriculture and Rural Development (MDA). (Although the bill refers to the Department of Agriculture, Executive Order 2011-2 renamed it the Department of Agriculture and Rural Development.)

The Act specifies that a cervidae livestock operation is an agricultural enterprise and is considered to be part of the farming and agricultural industry of this State; that cervidae livestock operations are a form of agriculture; that cervidae livestock facilities and their equipment are considered to be agricultural facilities and equipment; and that uses related to the farming of cervidae are considered agricultural uses. ("Cervidae" refers to members of the cervidae family, including deer, elk, moose, reindeer, and caribou.)

The DNR is responsible for administering the Act, receiving and reviewing applications, granting registrations, and carrying out other responsibilities. The bill would transfer those responsibilities to the MDA.

(The MDA was responsible for administration of the Act as it was originally enacted in 2000. Executive Order 2004-03 transferred the administration of the Act, and other specific powers, duties, functions, and responsibilities under the Act, from the MDA to the DNR. Subsequently, Public Act 561 of 2006 amended the Act to transfer administration of it from the MDA to the DNR, pursuant to the 2004 executive order.)

MCL 287.952 et al.

Legislative Analyst: Patrick Affholter

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 livestock facilities, registers the 140-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.

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.