Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 450 (as introduced 8-20-19)
Sponsor: Senator Curtis Hertel, Jr.
Committee: Appropriations

Date Completed: 8-20-19

CONTENT

The bill would amend Public Act 284 of 1937, which provides for the regulation of livestock dealers, to maintain current amounts charged for livestock dealer licensing fees by the Department of Agriculture and Rural Development (MDARD) by extending the sunset for those fees from September 30, 2019, to September 30, 2023.

The licensing of livestock dealers has two primary aims. One, to prevent the spread of infections and contagious diseases of livestock by livestock dealers. The Department is authorized to inspect animals sold or transported by livestock dealers and to inspect livestock dealer records. Two, the licensing requirement provides security for livestock producers by requiring as a condition of licensure that livestock dealers be bonded, to ensure that producers are paid the amounts due them for livestock sold by or consigned to livestock dealers.

Current license fees that would be continued under the bill, along with the number of licensees, include Class I (livestock auction operator, 21), $400; Class II (buying station operator, 7), $250; Class III (dealer/broker/agent/collection point operator, 109), $50; and Class IV (livestock trucker, 116), $25.

MCL 287.123

FISCAL IMPACT

The bill would have a positive fiscal impact on the fiscal year 2019-20 budget for MDARD. Built into the MDARD budget, as recommended by the Governor, Senate, and House, is $21,000 from the fees addressed in the bill. Those fees would provide approximately 27% of the funding for the Department's livestock dealer regulatory program costs, which average approximately $76,500 annually. The balance of this cost would be paid with General Fund dollars.

Fiscal Analyst: Bruce Baker