



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 386 (Substitute S-1)
Sponsor: Senator Virg Bernero
Committee: Appropriations

Date Completed: 5-16-03

CONTENT

The bill would amend Public Act 284 of 1937, which provides for the licensing and regulation of persons engaged in buying, receiving, selling, transporting, or exchanging livestock licensed by the Michigan Department of Agriculture, to increase the application fee, based on license category, and create various renewal fees, based on license category.

Under current law, a person desiring to act as a livestock dealer, broker, or agent annually is required to obtain a license from the Department and pay \$5. The revenue collected from the license fee is deposited in the General Fund. Licenses issued by the Department expire annually on September 30.

The bill would establish four distinct categories of licenses to be issued by the Department: Class I (livestock auction), Class II (collection point/buying station), Class III (horse auction), and Class IV (dealer/broker/agent). The bill would require the Department to collect the following amounts for initial and renewal licenses: Class I - \$400, Class II - \$250, Class III - \$150, and Class IV - \$50. Revenue collected from the license fees would be deposited in the General Fund.

MCL 287.123

FISCAL IMPACT

The bill would increase State revenues by an estimated \$23,800 associated with the fee increases, according to the Department. The fees have not been adjusted since 1957.

The Governor's proposed fiscal year (FY) 2003-04 budget for the Department included an additional \$40,200 in revenue associated with fee increases. The Governor proposed fee increases in the following amounts: Class I - \$800, Class II - \$500, Class III - \$300, and Class IV - \$50. This revenue replaced an equal amount of General Fund/General Purpose revenue appropriated to the Department's Animal Health Program. The Senate did not concur with the Governor's proposal in its entirety. Instead, the Senate recommendation (Senate Bill 288 (S-1)) assumed that the following fee increases would be enacted: Class I - \$400, Class II - \$250, Class III - \$150, and Class IV - \$50. The Senate version of the fee increases amounts to \$23,800, or \$16,400 less than the Governor's proposal. The Senate did, however, remove the entire amount of General Fund/General Purpose appropriation for the Animal Health Program as recommended by the Governor.

Fiscal Analyst: Craig Thiel

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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.