



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6245 (as reported without amendment)
Sponsor: Representative Tom Casperson
House Committee: Conservation, Forestry, and Outdoor Recreation
Senate Committee: Agriculture, Forestry and Tourism

CONTENT

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

- Transfer the administration of the Act from the Michigan Department of Agriculture (MDA) to the Department of Natural Resources (DNR) (as provided in Executive Order 2004-03).
- Require a cervidae livestock facility, by July 1, 2008, to comply with certain standards published by the DNR, rather than those published by the MDA, and incorporate the DNR's standards by reference.
- Require registration under the Act for possession of cervidae, as well as operation of a cervidae livestock facility.
- Set a 120-day deadline for the DNR to issue a registration; require the DNR to notify an applicant of deficiencies in an application; and require the DNR to return an applicant's registration fee and reduce the fee for applicant's next renewal, if any, by 15%, if the DNR failed to issue or deny a registration within the time required.
- Revise requirements for an application to modify a registration, and allow a registrant to request the decommissioning of a facility.
- Require a registration applicant's business plan to include a disease herd plan.
- Increase initial and renewal application fees for cervidae livestock facilities, and establish a nonrefundable application fee and an inspection fee (as described below).
- Specify that the DNR could not issue a new registration for a Class I (hobby) cervidae livestock facility after the bill's effective date, but could renew a Class I registration that existed before that date.
- Make it a felony, rather than a misdemeanor, to abandon a facility without notifying the State; prohibit the intentional release of cervidae species from a facility; and make that offense a felony.

The bill also would repeal Section 15 of the Act, which permits the Director to promulgate rules to implement and enforce the Act.

MCL 287.952 et al.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would increase revenue to the State. Revenue from application and inspection fees that the bill would establish or increase would be used to support program costs in the Departments of Natural Resources and Agriculture. The bill would create four new fees and increase the four existing registration fees. All new facilities would pay an initial application fee of \$250, and an initial inspection fee of \$250 if the facility were 40 acres or less or \$500

if larger than 40 acres. Modifications to applications would require a fee of \$100 and if the modification were to change a registration class, then the appropriate fee for the new class also would have to be submitted to the DNR. Revenue from these four new fees would depend on the number of new facilities and the number of modifications.

The bill would increase the existing four registration fees according to the schedule in Table 1. The fees are paid once every three years. The total annual fee revenue of \$150,250 from the proposed registration fees would be less than the current total amount appropriated from all fund sources for the captive cervidae program, which was \$381,400 in FY 2005-06 for both the Department of Natural Resources and the Department of Agriculture. Of that amount, the Department of Natural Resources had a total of \$338,400 for the captive cervidae program; \$93,500 was from fee revenue and \$244,900 was from the General Fund. In FY 2005-06, the Department of Agriculture had appropriations of about \$43,000 General Fund for captive cervidae activities. The increase in revenue from the proposed fees could be an enhancement to the captive cervidae program, although it is likely that a portion of the General Fund dollars that currently support the program would be redirected to other needs.

Table 1

Captive Cervidae Registration Fees					
	# of Facilities *	Current Fee	Current Revenue	Proposed Fee	Proposed Revenue
Class I (Hobby) Renewal only	138	\$45	\$6,210	450	\$62,100
Class II (Exhibition)	27	75	2,025	450	12,150
Class III (Ranch)	133	500	66,500	750	99,750
Class VI (Full)	369	150	55,350	750	276,750
Total for 3 years	667		\$130,085		\$450,750
Total for 1 year			\$43,362		\$150,250

* Provided by the Department of Natural Resources in December 2006.

The bill also would expand activities that are felony violations of the Act. Offenders would be subject to a penalty of imprisonment for up to four years and/or a maximum fine of \$5,000 (the penalty under the Michigan Penal Code for a felony not subject to a specified punishment). Local units would incur the costs of incarceration in local facilities, which vary by county. The State would incur the cost of incarceration in a State facility, at an average annual cost of \$31,000. Additional fine revenue would benefit public libraries.

Date Completed: 12-11-06

Fiscal Analyst: Debra Hollon
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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.