

**SUBSTITUTE FOR  
HOUSE BILL NO. 4699**

A bill to amend 1988 PA 466, entitled  
"Animal industry act,"  
by amending section 14 (MCL 287.714), as amended by 2002 PA 458.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 14. (1) If the director determines that the control or  
2       eradication of a disease or condition of livestock warrants entry  
3       onto property where livestock or domestic animals are located, the  
4       director shall order the entry onto property where livestock or  
5       domestic animals are located and authorize seizure, slaughter,  
6       destruction, or other disposition of individual livestock or  
7       domestic animals or the entire herd, flock, or school. If the  
8       director has signed an order for the slaughter, destruction, or  
9       other disposition of livestock or domestic animals, the director  
10      shall notify the attorney general, ~~and~~ the house and senate

1 appropriations committees, and the department of **TECHNOLOGY**,  
2 management, and budget on the issue of indemnity under this  
3 section. The director may approve facilities and procedures for the  
4 orderly disposal of animals, animal products, and animal feeds for  
5 the purpose of controlling or preventing the spread of an  
6 infectious, contagious, or toxicological disease. The director may  
7 select a site or method for the disposal with the advice of the  
8 director of the department of environmental quality.

9 (2) ~~The~~ **EXCEPT AS PROVIDED IN SUBSECTION (7), THE** director  
10 may, under rules promulgated by the department, allow  
11 indemnification for the slaughter, destruction, or other  
12 disposition of livestock or domestic animals due to livestock  
13 diseases or toxicological contamination. If the director has signed  
14 an order for the slaughter, destruction, or other disposition of  
15 livestock or domestic animals, the owner may apply for  
16 indemnification. The director shall appraise and inventory the  
17 condemned livestock or domestic animals. The appraisals and  
18 inventories shall be on forms approved by the director. The  
19 director shall use agricultural pricing information from commercial  
20 livestock or domestic animal auction markets and other livestock or  
21 domestic animal market information as determined by the director to  
22 determine the value of condemned livestock or domestic animals.

23 (3) Except as otherwise provided in subsection (5),  
24 indemnification for individual livestock or domestic animals within  
25 a herd, flock, or school shall be based upon 100% of the fair  
26 market value of that type of livestock or domestic animal on the  
27 date of the appraisal and marketable for the purpose for which the

1 livestock or domestic animal was intended, not to exceed \$4,000.00  
2 for each livestock or domestic animal. The appraisal determination  
3 shall not delay the slaughter, destruction, or disposition of the  
4 livestock or domestic animals. The indemnification amount under  
5 this subsection shall include a deduction for any compensation  
6 received, or to be received, from any other source including, but  
7 not limited to, indemnification by the United States department of  
8 agriculture, insurance, salvage value, or any monetary value  
9 obtained to encourage disposal of infected or exposed livestock or  
10 domestic animals in accordance with a disease control or  
11 eradication program. The owner shall furnish to the department all  
12 records indicating other sources of indemnity. An affidavit signed  
13 by the owner attesting to the amount of compensation for the  
14 livestock received or to be received from any other source shall  
15 accompany the appraisal certificate before indemnification under  
16 this section.

17 (4) Except as otherwise provided in subsection (5),  
18 indemnification for entire herd, flock, or school depopulations of  
19 livestock or domestic animals shall be based upon 100% of the fair  
20 market value of that type of animal on the date of the appraisal  
21 and marketable for the purpose for which the livestock or domestic  
22 animal was intended, not to exceed an average of \$4,000.00 per  
23 animal in the flock, herd, or school. The appraisal determination  
24 shall not delay depopulation. The indemnification amount under this  
25 section shall include a deduction for any compensation received, or  
26 to be received, from any other source including, but not limited  
27 to, indemnification by the United States department of agriculture,

1 insurance, salvage value, or any monetary value obtained to  
2 encourage disposal of infected or exposed livestock or domestic  
3 animals in accordance with a disease control or eradication  
4 program. The owner shall furnish to the department all records  
5 indicating other sources of indemnity. An affidavit signed by the  
6 owner attesting to the amount of compensation for the livestock or  
7 domestic animals received, or to be received, from any other source  
8 shall accompany the appraisal certificate prior to indemnification  
9 under this section.

10 (5) The department may provide for indemnity pursuant to this  
11 section not to exceed \$100,000.00 per order, from any line item in  
12 the annual budget for the department in the applicable fiscal year.  
13 Any agreement greater than \$100,000.00 entered into between the  
14 department and an owner of livestock shall contain a provision  
15 indicating that, notwithstanding the terms of the agreement,  
16 indemnification shall be subject to specific appropriations by the  
17 legislature and not be paid from department funds.

18 (6) Acceptance of compensation under this act constitutes a  
19 full and complete release of any claim the owner has against the  
20 state of Michigan, its departments, agencies, officers, employees,  
21 agents, and contractors to the extent these persons were acting on  
22 behalf of the state, within the scope of their employment with the  
23 state or under the direction of the state, its departments,  
24 agencies, officers, or employees, arising out of testing, purchase,  
25 removal, slaughter, destruction, and other disposition of the  
26 owner's animals.

27 (7) The right to indemnity from the state for animals

1 condemned and ordered slaughtered, destroyed, or otherwise disposed  
2 of by the director applies only to native livestock and native  
3 domestic animals, **BUT DOES NOT APPLY TO SPORTING SWINE ON A**  
4 **SPORTING SWINE LIVESTOCK OPERATION AS DEFINED IN THE SPORTING SWINE**  
5 **MARKETING ACT. HOWEVER, IF A DISEASE ERADICATION EFFORT IS ORDERED**  
6 **BY THE DIRECTOR FOR A SPORTING SWINE LIVESTOCK OPERATION, THE**  
7 **DEPARTMENT SHALL DEVELOP A HERD DEPOPULATION PLAN, WHICH MAY ALLOW**  
8 **FOR NORMAL SPORTING SWINE HARVEST TECHNIQUES.** Indemnification shall  
9 not apply to livestock or domestic animals determined by the  
10 department to be imported without meeting import requirements such  
11 as official interstate health certificate or official interstate  
12 certificate of veterinary inspection, required testing, required  
13 vaccination, or for livestock or domestic animals determined by the  
14 department to have been illegally moved within this state. An owner  
15 is not entitled to indemnity from the state for an animal that  
16 comes into the possession of the owner with the owner's knowledge  
17 that the animal is diseased or is suspected of having been exposed  
18 to an infectious, contagious, or toxicological disease. In  
19 addition, the director shall not indemnify an owner for animals  
20 that have been exposed to an animal that comes in to the possession  
21 of the owner with the owner's knowledge that the animal is diseased  
22 or is suspected of having been exposed to an infectious,  
23 contagious, or toxicological disease.

24 (8) A premises that has been depopulated shall be cleaned and  
25 disinfected as prescribed by the director.

26 (9) Repopulation of the premises, except as approved by the  
27 director, shall not confer eligibility for future indemnity under

1 this section.

2 (10) The department may cooperate and coordinate with the  
3 secretary of the United States department of agriculture or the  
4 secretary's authorized representative or other governmental  
5 departments or agencies regarding indemnification under this  
6 section.

7 (11) Not less than annually, within 60 days after the close of  
8 the fiscal year, the director shall make a written report to the  
9 standing committees of the house of representatives and senate  
10 having jurisdiction on agricultural and farming issues. The report  
11 will include the following:

12 (a) The amount expended by the department for bovine  
13 tuberculosis eradication during the preceding fiscal year.

14 (b) An explanation of the expenditures made by the department  
15 for bovine tuberculosis eradication during the preceding fiscal  
16 year.

17 (c) The status of bovine tuberculosis eradication efforts in  
18 Michigan.

19 (12) Not less than annually, within 60 days after the close of  
20 the fiscal year, the director of the department of natural  
21 resources shall make a written report to the standing committees of  
22 the house of representatives and senate having jurisdiction on  
23 agricultural and farming issues. The report will include the  
24 following:

25 (a) The amount expended by the department of natural resources  
26 for bovine tuberculosis eradication during the preceding fiscal  
27 year.

1           (b) An explanation of the expenditures made by the department  
2 of natural resources for bovine tuberculosis eradication during the  
3 preceding fiscal year.

4           Enacting section 1. This amendatory act does not take effect  
5 unless all of the following bills of the 96th Legislature are  
6 enacted into law:

- 7           (a) House Bill No. 4503.  
8           (b) House Bill No. 4504.  
9           (c) House Bill No. 4505.  
10          (d) House Bill No. 4506.