

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 1282 (Substitute S-3 as passed by the Senate)  
Sponsor: Senator George A. McManus, Jr.  
Committee: Farming, Agribusiness and Food Systems

Date Completed: 12-16-98

### **RATIONALE**

Bovine tuberculosis (TB) is caused by a bacteria that mainly affects the respiratory system. It is capable of affecting most warm-blooded animals, spread primarily by close contact with infected animals, and intensified by crowding and stress. A hunter-killed deer in southwestern Alpena County was discovered to have bovine tuberculosis in 1994, and bovine TB was confirmed in free-ranging (wild) deer in the northeast Lower Peninsula in 1995. Reportedly, while there have been numerous cases of bovine TB in domestic livestock and captive deer/elk herds in the United States, the disease has never before been determined to be self-sustaining in free-ranging wildlife in North America. According to the Department of Natural Resources (DNR), however, in Alpena, Alcona, Montmorency, Oscoda, and Presque Isle Counties, as of September 1998, 151 white-tailed deer out of 8,751 tested between 1995 and 1998 were infected with bovine TB; and five coyotes of 54 tested and two raccoons out of 37 tested were infected. No deer was infected with bovine TB from over 15,000 tested from outside the five-county area, and no elk out of 2,055 tested was infected.

In March 1998, the Michigan Agriculture Commission issued an Enforced Restriction Area Order imposing a mandatory feeding ban, and the Natural Resources Commission approved an order implementing restrictions on baiting (placing or scattering food to attract deer). By halting supplemental feeding, restricting baiting, banning the establishment of new captive deer/elk herds, and reducing the overall deer population in the Enforced Restriction Area, the Departments hope to lower deer concentrations and reduce the risk of transmitting bovine TB among animals. (The Enforced Restriction Area covers public and private land in the northeastern part of the Lower Peninsula in an area east of I-75 and north of M-55, including the five-county area and portions of Cheboygan, Crawford, Iosco, Ogemaw, and

Roscommon Counties.) The Department of Agriculture also has developed and implemented surveillance for bovine TB in the 28 captive cervidae herds within the Enforced Restriction Area. All herds were issued quarantines and movement restrictions were initiated pending surveillance results.

There has been serious concern that the recent outbreaks of bovine TB could cause a significant negative impact on livestock owners in Michigan, leading to mandatory animal testing, destruction or slaughter of infected livestock, and tremendous overall economic losses. After a cow in Alpena County tested positive for bovine TB last June, the U.S. Department of Agriculture on August 13, 1998, formally suspended Michigan's TB-free status, which the State had held since 1979. Therefore, some people believe that additional actions should be taken to eliminate and prevent the disease by requiring negative bovine TB tests for *all* importation and movement of captive deer and elk. It also has been suggested that indemnification for livestock infected or exposed to bovine TB should be increased.

### **CONTENT**

**The bill would amend the Animal Industry Act to establish requirements for the importation and movement of captive cervidae (deer, elk, moose, and caribou living under the husbandry of humans) by doing the following:**

- Requiring captive cervidae less than six months of age imported into the State, except those consigned to a slaughter facility, to have originated from an official tuberculosis accredited or qualified herd, or to remain at the destination on the interstate health certificate or certificate of veterinary inspection until the animal**

received an official negative TB test.

- Requiring captive white-tailed deer and captive elk moving from one premises to another within the State, to have originated from an official TB accredited or qualified herd or from a herd that had received an official negative TB test.
- Requiring owners of a captive white-tailed deer or elk farm that did not possess an official TB accredited or qualified herd status to have captive cervidae, as well as cattle and goats in contact with these animals, tested for tuberculosis.
- Requiring owners of captive cervidae ranches to have a veterinarian visually inspect the animals for evidence of TB, if the animals were removed from the herd.
- Requiring the State Veterinarian to develop and implement surveillance programs for reportable diseases.

The bill also would increase from \$1,250 to \$2,500 the maximum amount per animal that may be paid as indemnification for livestock that have been infected or exposed to disease or toxicological contamination. The increase would apply until January 1, 2005. An owner could furnish documentation to demonstrate that an animal's value exceeded \$2,500, and the Agriculture Commission could allow up to \$5,000 per animal. After January 1, 2005, indemnification would revert to the current level of 75% of the market value of the livestock with a maximum of \$1,250 per animal.

#### Indemnification

Under the bill, the Director of the Department of Agriculture could devise and implement a program to compensate livestock owners for livestock that died or needed to be destroyed for humane purposes while the livestock were being tested or under a surveillance program for a reportable disease.

Currently, the Director, under Department rules, may allow indemnification for slaughter, destruction, or other disposition of animals due to livestock diseases or toxicological contamination. The bill would delete the current provision that all animals must be treated as grade status animals for purposes of indemnification.

The Act requires that indemnification be based on

75% of the fair market value of that type of livestock on the date of the appraisal as if the livestock were grade status and marketable for the purpose for which the livestock was intended, not to exceed \$1,250 for each animal less any compensation received, or to be received, from any other source including, but not limited to, indemnification by the U.S. Department of Agriculture (USDA), insurance, salvage value, or any monetary value obtained to encourage disposal of infected or exposed livestock in accordance with a disease control or eradication program. The bill provides that until January 1, 2005, and except as otherwise provided in the bill, regarding any quarantine on animals or premises issued after January 1, 1998, indemnification would have to be based on the fair market value of that type of livestock on the appraisal date as if the livestock were grade status and marketable for the purpose for which the livestock had been intended, not to exceed \$2,500 for each animal. After January 1, 2005, however, indemnification would have to be based upon 75% of the fair market value of that type of livestock on the appraisal date as if the livestock had been grade status and marketable for the purpose for which the livestock had been intended, not to exceed \$1,250 for each animal. Until January 1, 2005, and in the case of an animal considered by the owner to be valued greater than the \$2,500 amount described above, the owner would have to furnish to the Department documentation to demonstrate market value. Documentation would include, but would not be limited to, pure-bred registration or certification papers, production records, or sale records in addition to those required under the Act. Exceptions granted under this provision would have to be approved by the Commission on Agriculture and could not exceed \$5,000 for each animal.

#### Captive Cervidae

All captive cervidae less than six months of age imported into the State, except those consigned directly to a State- or Federally inspected slaughter facility premises, would have to originate directly from an official tuberculosis accredited or qualified herd as outlined in the Uniform Methods and Rules for Tuberculosis Eradication in Cervidae effective May 15, 1994, approved by Veterinary Services of the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, and all amendments to those publications thereafter adopted pursuant to rules that the Director could promulgate, or would have to remain at the

destination identified on the official interstate health certificate or official certificate of veterinary inspection until the animal received an official negative test for tuberculosis when it was at least six months, but not more than eight months, of age. The bill specifies that for purposes of these provisions, the age of the captive white-tailed deer or captive elk would have to be determined by the age placed on the official interstate health certificate or official certificate of veterinary inspection. A copy of the official test for tuberculosis and a copy of the official interstate health certificate or official certificate of veterinary inspection would have to be forwarded to the Department within 10 days following completion of the testing.

All live captive white-tailed deer and captive elk at least six months of age moving from one premises to another premises within the State, except those consigned directly to a State- or Federally inspected slaughter facility premises, would have to comply with one of the following:

- Originate directly from an official tuberculosis accredited or qualified herd as outlined in the Uniform Methods and Rules for Tuberculosis Eradication in Cervidae, and all amendments to those publications adopted pursuant to rules that the Director could promulgate, and be accompanied by a copy of the current official letter from the Michigan Department of Agriculture verifying herd status.
- Originate directly from a herd that had received an official negative TB test of all captive cervidae at least 12 months of age and all cattle and goats at least six months of age in contact with the herd, receive an individual negative official test for TB within 90 days prior to movement, and be accompanied by a copy of the official tests for TB verifying that testing.
- Be isolated from all other members of the herd and receive two official negative tests for TB at 90- to 120-day intervals before movement and be accompanied by copies of the official tests for TB verifying that testing.

All live captive white-tailed deer and captive elk less than six months of age moving from one premises to another premises within the State, except those consigned directly to a State- or Federally inspected slaughter facility premises, would have to comply with one of the following:

- Originate directly from an official tuberculosis accredited or qualified herd as outlined in the

Uniform Methods and Rules for Tuberculosis Eradication in Cervidae, and all amendments to those publications, be identified by an official identification, and be accompanied by a copy of the current official letter from the Michigan Department of Agriculture verifying the herd status.

- Originate directly from a herd that had received an official negative TB test of all captive cervidae at least 12 months of age and all cattle and goats at least six months of age in contact with the herd, be individually identified by an official identification, be accompanied by an official permit for movement of captive white-tailed deer and captive elk less than six months of age within Michigan issued by an accredited veterinarian, and remain at the destination stated on the permit until the animal received an official negative TB test when it reached six months of age, but not more than eight months of age. For purposes of this provision, the age of the deer or elk would have to be determined by the age placed on the official permit for movement of captive white-tailed deer and captive elk less than six months of age in Michigan by the accredited veterinarian. A copy of the official test for TB and a copy of the official permit for movement would have to be forwarded to the Department within 10 days following completion of the testing.

Beginning on the bill's effective date, each owner of any captive white-tailed deer farm or captive elk farm that did not possess official tuberculosis accredited or qualified herd status as defined in the Uniform Methods and Rules for Tuberculosis Eradication in Cervidae, and all amendments to those publications, would have to have an official test for TB conducted on all captive cervidae at least 12 months of age, and all cattle and goats at least six months of age in contact with the captive cervidae. This testing would have to be completed within 18 months following the bill's effective date. The owner of any captive white-tailed deer farm or captive elk farm that began operating after the bill's effective date would have to complete the testing requirement within 18 months following assembly of the herd.

Beginning on the bill's effective date, each owner of any captive cervidae ranch would have to cause captive cervidae removed from the herd to undergo visual inspection by a specially trained accredited veterinarian, approved by the Director, for evidence of tuberculosis. The number of animals to be

inspected would have to be equal to the number required for establishing an official tuberculosis monitored herd as outlined in the Uniform Methods and Rules for Tuberculosis Eradication in Cervidae and all amendments to those publications. The testing would have to be conducted over a three-consecutive-year period and be completed within five years following the bill's effective date. The owner of any captive cervidae ranch that began operating after the bill's effective date would have to complete the required testing within five years following assembly of the herd.

### Surveillance Programs

The bill would require the State Veterinarian to develop and implement scientifically based surveillance programs for reportable diseases when the Director determined, with advice and consultation from the livestock industry and veterinary profession, that surveillance would aid in the control or eradication of a reportable disease or assist in the economic viability of the industry.

MCL 287.703 et al.

### ARGUMENTS

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### Supporting Argument

The presence of bovine TB in the State presents a unique and serious problem that poses a risk to humans, livestock, deer, and other wildlife. Currently, a captive cervidae strategy including quarantine and movement restrictions, has been implemented through TB testing of all animals 12 months of age or older within the five-county area most affected by the disease. The bill would help prevent new outbreaks of bovine TB, reduce risks of further spread, and eliminate current exposure, by monitoring and restricting the importation and movement of *all* captive cervidae within the State.

The bill also would help protect Michigan's livestock industry, and could help persuade the USDA to designate livestock herds from contaminated areas differently than it would herds from noncontaminated areas in order to maintain Michigan's suspended TB-free status. According to the DNR, if a second positive case of bovine TB is found in cattle or goats within 48 months of the first case, the suspended status will be revoked and Michigan will revert to a modified accredited state.

The State then would have to remain TB-free for five years before regaining accredited free-state status. A TB-free status is vital for the livestock industry because other states determine their import testing requirements based on the status of the state of origin. According to the DNR, the estimated loss of the status for cattle farmers could be as high as \$67 million for 1999-2003 and \$121 million for 1999-2008.

#### Supporting Argument

The bill would provide for an increase in the indemnification for livestock that have been infected or exposed to disease or toxicological contamination. The increased amount would ensure that livestock owners receive fair and adequate indemnification for their loss, and would encourage efforts to limit the risk of further contamination of bovine TB.

Legislative Analyst: N. Nagata

#### FISCAL IMPACT

The bill would have an indeterminate fiscal impact, depending on the number and value of animals destroyed due to bovine tuberculosis.

For FY 1997-98, \$250,000 in General Fund support has been appropriated to indemnify producers whose livestock is destroyed due to bovine tuberculosis. To date, over \$20,000 has been spent for this purpose.

Fiscal Analyst: G. Cutler

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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.