

HOUSE BILL No. 5799

May 22, 1990, Introduced by Rep. Jacobetti and referred to the Committee on Appropriations.

A bill to amend section 3 of Act No. 284 of the Public Acts of 1937, entitled as amended

"An act to prevent the spread of infectious and contagious diseases of livestock; to require persons, associations, partnerships and corporations engaged in the buying, receiving, selling, transporting, exchanging, negotiating, or soliciting sale, resale, exchange or transportation of livestock to be licensed and bonded by the department of agriculture; to keep a producers' proceeds account; to provide for the refusal, suspension or revocation of such licenses; to provide for weighmasters; to provide for the inspection and disinfection of yards, premises and vehicles; and to provide penalties for the violation of this act,"

being section 287.123 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3 of Act No. 284 of the Public Acts of
2 1937, being section 287.123 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 3. (1) ~~Each~~ A dealer, broker, or agent ~~engaged in~~
5 ~~such business for the purposes aforesaid~~ shall file an

1 application with the department for a license to transact ~~such~~
2 business. The application shall state the nature of the busi-
3 ness, the ~~postoffice~~ POST-OFFICE address of the applicant and
4 the ~~postoffice~~ POST-OFFICE address at or from which the busi-
5 ness is to be conducted. If the applicant ~~shall operate~~
6 OPERATES a livestock yard where livestock is kept and sold at
7 public or private sale, the application shall so state. The
8 application may state such additional information as the director
9 ~~of agriculture shall require~~ REQUIRES. The application for
10 license to engage in the business of dealer, broker or agent ~~as~~
11 ~~herein defined~~ shall be accompanied by a license fee of ~~\$5.00~~
12 \$100.00 payable to the director. ~~of agriculture and deposited~~
13 ~~to the general fund. When any~~ THE REVENUE GENERATED BY THIS FEE
14 SHALL BE RETURNED TO THE DEPARTMENT FOR THE ADMINISTRATION AND
15 ENFORCEMENT OF THIS ACT.

16 (2) IN THE CASE OF livestock WHICH is purchased or sold by
17 weight, ~~such~~ THE licensees shall employ a registered weighmas-
18 ter ~~who shall be required to do all~~ TO PERFORM the weighing.
19 The duties, qualifications, and requirements for registration of
20 weighmasters shall be established by the director ~~of agriculture~~
21 ~~under the provisions of section 9 of this act~~ AS PROVIDED IN
22 SECTION 9. The application for ~~such~~ A WEIGHMASTER license and
23 bond shall be made to the director ~~of agriculture~~ on or before
24 October 1 of each year. ~~Each~~ A license issued shall be for a
25 period of 1 year commencing October 1 and ending the following
26 September 30. ~~Each~~

1 (3) A dealer, broker, or agent operating or conducting a
2 livestock auction shall file with his OR HER LICENSE application
3 ~~for a license and for the period for which such license shall be~~
4 ~~issued~~ a surety bond, COVERING THE PERIOD OF TIME FOR WHICH THE
5 LICENSE IS ISSUED, WRITTEN by a surety company registered in the
6 state of Michigan to indemnify persons from whom livestock is
7 purchased or for whom livestock is sold; or ~~with such sureties~~
8 ~~and~~ PROVIDE SURETIES in such amounts, form, and sufficiency as
9 ~~shall be~~ approved by the director. ~~of agriculture.~~ The
10 amount of the bond shall ~~be an amount equal to~~ EQUAL the amount
11 of gross dollar volume of livestock business conducted during the
12 average week of the previous licensing year by the applicant, but
13 ~~in no case~~ NOT less than \$1,500.00. If the average gross
14 weekly livestock business conducted by the applicant during the
15 previous licensing year was greater than \$25,000.00, the bond
16 shall be increased above \$25,000.00, at the rate of \$1,000.00 for
17 each \$5,000.00 or part thereof above \$25,000.00 on the average
18 gross dollar-volume of weekly livestock business conducted during
19 the previous year. A licensee who owns or operates more than 1
20 livestock yard or livestock auction may file 1 bond in an amount
21 determined by the ~~foregoing formula.~~ Any FORMULA DESCRIBED IN
22 THIS SUBSECTION. A dealer, broker, or agent operating or con-
23 ducting a livestock yard or livestock auction who has filed a
24 surety bond for ~~such~~ THE livestock yard or livestock auction
25 which indemnifies persons from whom livestock is purchased or for
26 whom livestock is sold in accordance with the terms of any
27 federal act shall be exempt from the bonding requirements of this

1 ~~section~~ SUBSECTION ~~provided~~ IF the bond is equivalent ~~in~~
2 ~~amount to that~~ TO THE AMOUNT which would be required by this
3 act. The bond shall be for a livestock dealer or broker and his
4 OR HER agents in which the department ~~of agriculture~~ shall be
5 the obligee but which shall be for the benefit and purpose of
6 protecting all persons selling or consigning livestock to such A
7 licensed dealer, broker, or agent against the licensed dealer's,
8 broker's, or agent's failure to pay amounts due on livestock pur-
9 chased by or consigned to them. ~~Each~~

10 (4) A licensee shall keep ~~such~~ records and shall furnish
11 upon request ~~such~~ information concerning his OR HER purchases
12 and sales as may be required by the director for the purpose of
13 establishing the amount of bond required ~~hereunder~~ UNDER THIS
14 SECTION. The director, in fixing the amount of the bond, shall
15 take into consideration the dollar volume of livestock business
16 and other information furnished by the livestock dealer, broker,
17 or ~~his~~ agent. If a dealer, broker, or agent did not operate a
18 livestock auction the previous licensing year, the bond shall be
19 for an amount as shall be established by the director after ~~his~~
20 consideration of all information available to him OR HER on the
21 probable weekly gross dollar volume of business which will be
22 conducted by the dealer, broker, or agent during the licensing
23 year. If during any licensing year the bond filed by any
24 licensee becomes less than THE AMOUNT required by this act
25 because of an increase in gross dollar volume of livestock sales,
26 the director may require the licensee to file an additional bond
27 to cover the increase in gross dollar volume of livestock sales.

1 Failure OF THE LICENSEE to comply with the orders of the director
 2 shall be reason for suspension or revocation of license. ~~Such~~
 3 THE bond shall be conditioned upon the faithful performance of
 4 ~~his~~ THE duties as a dealer, ~~and on~~ UPON COMPLIANCE WITH the
 5 provisions of law relating to the purchase of livestock by ~~such~~
 6 THE livestock dealer, and for the payment by ~~said~~ THE livestock
 7 dealer of all livestock purchased by or consigned to ~~such~~
 8 ~~livestock~~ THE dealer as a dealer in livestock. ~~The fees col-~~
 9 ~~lected by the director of agriculture shall be turned over to the~~
 10 ~~state treasury and shall be credited to the general fund. The~~
 11 ~~said~~

12 (5) A license ISSUED UNDER THIS ACT shall entitle the holder
 13 ~~thereof~~ to conduct the business of dealer or broker ~~as defined~~
 14 ~~in this act~~ at or from the place named in the application, ~~—~~
 15 ~~Provided, however, That every~~ EXCEPT THAT A business, associa-
 16 tion, partnership, or corporation engaged in the business of,
 17 transporting livestock, or negotiating or soliciting the trans-
 18 portation or transfer of livestock, and who ~~shall not be~~ IS NOT
 19 engaged in the buying, selling, reselling, exchanging, ~~or~~
 20 negotiating, or soliciting THE sale, resale, or exchange of
 21 ~~such~~ livestock, shall ~~be required to~~ obtain ~~the~~ A license
 22 provided for in this section but ~~shall not be~~ IS NOT required
 23 to comply with bonding provisions of this act.

24 (6) ~~Every~~ A dealer, broker, or agent shall keep adequate
 25 records of the producers' proceeds account as ~~defined~~ DESCRIBED
 26 in section 3a ~~of this act~~ and of all sales and purchases for a
 27 period of 2 years in such manner as ~~shall be~~ required by the

1 director, ~~of agriculture, and~~ which records shall be open to
2 inspection by the department. ~~of agriculture. Any~~ A dealer,
3 broker, or agent, upon change of address, shall notify the direc-
4 tor of ~~such change of address~~ THE CHANGE within 5 days. ~~Any~~
5 A change in ownership of ~~any~~ A livestock auction ~~or market~~
6 shall be reported to the director within 5 days by the licensee.
7 ~~Each~~ A dealer or broker shall file with the director on January
8 1 of each year a sworn statement of average weekly sales and a
9 statement showing the number and kinds of livestock purchased and
10 sold during the previous year.