



## Attention Livestock Dealers: Understand the New Dealer Law

Julie I. Fershtman

*Foster Swift Agricultural Law Update*

June 2013

---

### **PRACTICE AREAS**

Agri-Business

Equine Law

On October 1, 2012, a new Michigan law went into affect that has implications for certain people or businesses who engage in selling livestock in Michigan. The law, Public Act 317, was designed to control the spread of infectious diseases of livestock and animals in Michigan. It now requires those engaged in the buying, receiving, selling, transporting, exchanging negotiating or who solicit sale, resale, exchange, or transportation of livestock to be licensed and bonded by the Michigan Department of Agriculture.

### **THE LICENSE REQUIREMENT**

The new law states in Section 2:

"A dealer, broker, agent, or livestock trucker shall not engage in or carry on the business of buying, receiving, selling, exchanging, transporting, negotiating, or soliciting the sale, resale, exchange, transportation, or transfer of any animals within the state unless the person is licensed as provided in this act. A dealer, broker, agent, or livestock trucker is responsible for acts performed or contracts made by any person employed by the dealer, broker, agent, or livestock trucker in buying, receiving, selling, exchanging, transporting, negotiating, or soliciting the sale, resale, exchange, transportation, or transfer of livestock."

Don't seek licensure unnecessarily. Read and understand the law first. A brief summary follows.

### **WHO IS AFFECTED BY THE LAW?**

The law defines "animals" or "livestock" to include "horses, ponies, mules, cattle, and others." It defines a "dealer" or "broker" as "a person that, as a principal or agent, engages in the business of buying, receiving, selling, exchanging, buying for slaughter, negotiating, or soliciting sale, resale, exchange, transportation, or transfer of animals." It exempts persons who are "permanently discontinuing the business of farming, breeding, or feeding animals." It also exempts "a person that



sells livestock that have been raised on the premises of the person." Those who buy or receive animals for breeding, grazing and feeding as well as the sale and disposal after a feeding and grazing period of more than 21 days are also exempt.

#### **WHO IS NOT AFFECTED?**

Among the exemptions are occasional consignment sales that are sponsored and conducted by a breed association, 4-H, or FFA group, county fair or youth fair. The law specifically provides that a "buying station" "does not include a livestock auction." It also provides that a "livestock trucker" does not include a person who hauls livestock "on an occasional basis for persons participating in a livestock exhibition, fair, trail ride, youth livestock event, or similar activity." Exemptions also include "hauling livestock on an incidental basis in connection with another business, such as a veterinary practice or a stable operation, which is operated by that person and which does not ordinarily involve the sale of livestock" as well as "[h]auling livestock for another person fewer than 6 times within the preceding 12 months."

#### **HOW DO YOU GET LICENSED?**

Contact the Department of Agriculture and Rural Development.

#### **HOW MUCH IS A LICENSE?**

Permits can be purchased through the Department of Agriculture and Rural Development. The new law provides that annual, non-refundable fees range from \$25 for a "livestock trucker" to \$400 for a "livestock auction operator." Licenses become effective October 1 of each year and expire on September 30.

#### **OTHER REQUIREMENTS IN THE LAW**

The law imposes several requirements for livestock "auctions, collection points, or buying stations" such as pen and building construction, flooring, manure storage, auction rings, docks, pens, and scales. The law also has provisions affecting watering of animals and flooring.

#### **PENALTIES FOR NON-COMPLIANCE**

Non-compliance with the law could involve steep penalties. The law provides for a total limit of fines of up to \$25,000.