

Act No. 145
Public Acts of 1995
Approved by the Governor
July 9, 1995
Filed with the Secretary of State
July 10, 1995

STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995

Introduced by Senators McManus and Gast

ENROLLED SENATE BILL No. 296

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 1996; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of agriculture for the fiscal year ending September 30, 1996, from the following funds:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	582.5	
GROSS APPROPRIATION		\$ 67,610,600
Interdepartmental grant revenues:		
IDG from Commerce (LCC)-liquor quality testing fees		151,300
IDG from Commerce (LCC)-nonretail liquor license fees		420,600
IDG from Transportation		622,600
Total interdepartmental grants and intradepartmental transfers		1,194,500
ADJUSTED GROSS APPROPRIATION		\$ 66,416,100
Federal revenues:		
DAG-AMS, cooperative agreement		1,135,200
DAG-APHIS, Plant and animal disease and pest control		56,000
DAG-ERS-ARED		126,800
DAG-FS, multiple grants		2,235,600
EPA-OE, Pesticides enforcement program grants		983,300
EPA-OWWM, Water pollution control, lake restoration cooperative agreements		239,200
EPA-RCRA		150,000
Federal contingency revenues		2,000,000
HHS-FDA		217,400
Total federal revenues		7,143,500
Special revenue funds:		
Total local revenues		0

For Fiscal Year
Ending Sept. 30,
1996

Local and private contingency revenues.....	\$	25,000
Private-casino gambling agreement.....		208,200
Private-oil company overcharge settlement.....		314,700
Total private revenues.....		547,900
Total local and private revenues.....		547,900
Civil penalties.....		25,900
Commodity inspection fees.....		956,600
Food handler licensing fees.....		1,124,800
Gasoline inspection and testing fund.....		1,977,000
Groundwater and freshwater protection fund.....		3,500,000
Horse racing revenues.....		2,969,600
Industry support funds.....		76,300
Licensing and inspection fees.....		2,279,100
Pseudorabies and swine brucellosis fund.....		147,400
State restricted contingency revenues.....		700,000
Testing fees.....		168,100
Upper Peninsula state fair revenue.....		727,200
Weights and measures regulation fees.....		179,200
Total other state restricted revenues.....		14,831,200
State general fund/general purpose.....	\$	43,893,500

EXECUTIVE

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	26.5
Commission and boards.....	\$ 48,500
Unclassified positions.....	431,500
Executive direction—8.5 FTE positions.....	891,700
Affirmative action—2.0 FTE positions.....	189,200
Statistical reporting service—5.0 FTE positions.....	412,400
U.S.D.A. data collection program—11.0 FTE positions.....	1,077,300
Federal contingency funds.....	2,000,000
State restricted contingency funds.....	700,000
Local and private contingency funds.....	25,000
GROSS APPROPRIATION.....	\$ 5,775,600
Appropriated from:	
Federal revenues:	
DAG-AMS, cooperative agreement.....	1,077,300
Federal contingency revenues.....	2,000,000
Special revenue funds:	
Local and private contingency revenues.....	25,000
Industry support funds.....	25,800
State restricted contingency revenues.....	700,000
State general fund/general purpose.....	\$ 1,947,500

ADMINISTRATIVE SERVICES

Full-time equated classified positions.....	74.0
Press and Public Affairs—5.0 FTE positions.....	466,200
Management services—61.0 FTE positions.....	4,512,300
Upper Peninsula state fair—8.0 FTE positions.....	959,500
Property management charges.....	601,300
Rent.....	237,500
GROSS APPROPRIATION.....	\$ 6,776,800
Appropriated from:	
Special revenue funds:	
Gasoline inspection and testing fund.....	3,500
Licensing and inspection fees.....	63,200
Upper Peninsula state fair revenue.....	727,200
State general fund/general purpose.....	\$ 5,982,900

For Fiscal Year
Ending Sept. 30,
1996

PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions.....	112.3	
Groundwater and freshwater protection program—10.0 FTE positions		\$ 3,500,000
Pesticide and plant pest management—102.3 FTE positions		9,850,600
GROSS APPROPRIATION.....		\$ 13,350,600
Appropriated from:		
Federal revenues:		
DAG-APHIS, Plant and animal disease and pest control		35,000
DAG-AMS, cooperative agreement.....		35,000
DAG-FS, multiple grants		2,035,600
EPA-OE, Pesticides enforcement program grants		773,300
EPA-RCRA		150,000
HHS-FDA		15,600
Special revenue funds:		
Groundwater and freshwater protection fund.....		3,500,000
Licensing and inspection fees		2,066,400
State general fund/general purpose		\$ 4,739,700

ANIMAL INDUSTRY

Full-time equated classified positions.....	28.0	
Animal health and welfare—28.0 FTE positions		\$ 2,189,100
Equine monitoring system.....		87,600
GROSS APPROPRIATION.....		\$ 2,276,700
Appropriated from:		
Federal revenues:		
HHS-FDA		15,000
Special revenue funds:		
Licensing and inspection fees		10,600
Pseudorabies and swine brucellosis fund		88,700
State general fund/general purpose		\$ 2,162,400

DAIRY PRODUCTS

Full-time equated classified positions.....	40.0	
Dairy products quality assurance—40.0 FTE positions		\$ 3,070,200
GROSS APPROPRIATION.....		\$ 3,070,200
Appropriated from:		
Federal revenues:		
DAG-AMS, cooperative agreement.....		22,900
Special revenue funds:		
Licensing and inspection fees		89,500
State general fund/general purpose		\$ 2,957,800

FOOD AND CONSUMER PROTECTION

Full-time equated classified positions.....	116.5	
Food product quality assurance—91.0 FTE positions		\$ 6,125,000
Motor fuels quality program—17.5 FTE positions		1,145,800
Stages I and II vapor recovery program—8.0 FTE positions		622,600
GROSS APPROPRIATION.....		\$ 7,893,400
Appropriated from:		
Interdepartmental grant revenues:		
IDG from Transportation		622,600
Federal revenues:		
HHS-FDA		186,800
Special revenue funds:		
Civil penalties		25,900
Food handler licensing fees		1,124,800
Gasoline inspection and testing fund		1,227,400
Licensing and inspection fees		49,400

		For Fiscal Year Ending Sept. 30, 1996
Weights and measures regulation fees	\$	179,200
State general fund/general purpose	\$	4,477,300
LABORATORY SUPPORT		
Full-time equated classified positions	83.5	
Laboratory support services—83.5 FTE positions	\$	5,839,700
GROSS APPROPRIATION	\$	5,839,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG from Commerce (LCC)-liquor quality testing fees		151,300
Federal revenues:		
DAG-APHIS, Plant and animal disease and pest control		21,000
Special revenue funds:		
Gasoline inspection and testing fund		746,100
Pseudorabies and swine brucellosis fund		58,700
Testing fees		168,100
State general fund/general purpose	\$	4,694,500
ENVIRONMENTAL PROTECTION		
Full-time equated classified positions	24.0	
Soil and water conservation—24.0 FTE positions	\$	1,826,400
GROSS APPROPRIATION	\$	1,826,400
Appropriated from:		
Federal revenues:		
EPA-OWWM, Water pollution control, lake restoration cooperative agreements		239,200
Special revenue funds:		
Private-oil company overcharge settlement		51,600
State general fund/general purpose	\$	1,535,600
MARKETING AND MARKET DEVELOPMENT		
Full-time equated classified positions	36.0	
Fruit and vegetable quality control—31.0 FTE positions	\$	1,669,300
Marketing and market development—5.0 FTE positions		1,090,700
GROSS APPROPRIATION	\$	2,760,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from Commerce (LCC)-nonretail liquor license fees		420,600
Federal revenues:		
DAG-ERS-ARED		126,800
Special revenue funds:		
Commodity inspection fees		956,600
Industry support funds		50,500
State general fund/general purpose	\$	1,205,500
OFFICE OF RACING COMMISSIONER		
Full-time equated classified positions	41.7	
Licensing and regulation—39.7 FTE positions	\$	3,052,100
Native American casino oversight program—2.0 FTE positions		208,200
Promotion		190,000
GROSS APPROPRIATION	\$	3,450,300
Appropriated from:		
Special revenue funds:		
Private-casino gambling agreement		208,200
State general fund/general purpose	\$	3,242,100
GRANTS		
Michigan state university	\$	210,000
Energy conservation program/local soil conservation districts		263,100
Grants to cities with racetracks		1,745,600

	For Fiscal Year Ending Sept. 30, 1996
Great Lakes draft horse show.....	\$ 78,800
Building and track improvement-county and state fairs.....	627,700
Premiums-county and state fairs.....	1,611,200
Purses and supplements-fairs.....	2,653,700
Standardbred Fedele Fauri futurity.....	77,000
Standardbred Michigan futurity.....	77,000
Quarterhorse programs.....	43,300
Licensed tracks-light horse racing.....	84,000
Standardbred breeders' awards.....	1,201,500
Standardbred purses and supplements-licensed tracks.....	292,100
Standardbred sire stakes program.....	800,000
Standardbred training and stabling.....	47,800
Thoroughbred program.....	1,973,400
Thoroughbred sire stakes program.....	424,000
Food bank.....	500,000
Future farmers of America.....	28,500
Local soil conservation districts/clean water incentive program.....	1,400,000
Northwest Michigan horticultural research station.....	41,800
Southwestern Michigan tourist council - taste of Michigan.....	60,400
Grown in Michigan.....	100,000
Michigan festivals.....	50,000
Forest stewardship program.....	200,000
GROSS APPROPRIATION.....	\$ 14,590,900
Appropriated from:	
Federal revenues:	
EPA-OE, Pesticides enforcement program grants.....	210,000
DAG-FS, multiple grants.....	200,000
Special revenue funds:	
Private-oil company overcharge settlement.....	263,100
Horse racing revenues.....	2,969,600
State general fund/general purpose.....	\$ 10,948,200

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this appropriation act is \$58,724,700.00 and state appropriations to be paid to local units of government in section 101 are as follows:

	For Fiscal Year Ending Sept. 30, 1996
DEPARTMENT OF AGRICULTURE	
Grants to soil conservation districts.....	\$ 1,400,000
Grants to cities with racetracks.....	1,745,600
TOTAL.....	\$ 3,145,600

(2) When it appears to the principal executive officer of each department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 203. As used in this act:

(a) "Department" means the department of agriculture.

- (b) "Director" means the director of the department.
- (c) "DAG-AMS" means the United States department of agriculture-agriculture marketing service.
- (d) "DAG-APHIS" means the United States department of agriculture-animal plant health inspection service.
- (e) "DAG-ERS-ARED" means the United States department of agriculture-economic research service-agriculture and rural economy division.
- (f) "DAG-FS" means the United States department of agriculture-forest service.
- (g) "EPA-OE" means the United States environmental protection agency-office of enforcement.
- (h) "EPA-OWWM" means the United States environmental protection agency-office of water and waste management.
- (i) "EPA-RCRA" means the United States environmental protection agency-resource conservation and recovery act.
- (j) "FTE" means full-time equated.
- (k) "HHS-FDA" means the United States department of health and human services-food and drug administration.
- (l) "IDG" means interdepartmental grant.

Sec. 204. The department of civil service shall bill departments and/or agencies at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 205. (1) The unexpended and unobligated balance of any state restricted fund or account remaining at the end of the fiscal year shall revert back to the state restricted fund or account from which appropriated and be available for reappropriation for the next fiscal year. Appropriations which revert to a state restricted fund or account pursuant to this section shall not revert to the general fund of the state.

(2) A state restricted revenue fund or account which receives revenues in excess of appropriations made from that state restricted revenue fund or account shall not have the excess revenue revert to the general fund of the state.

(3) This section does not apply to horse racing revenue.

Sec. 206. Of the funds appropriated in section 101 that are in units other than the grants unit, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the senate and house appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

Sec. 207. The funds appropriated in section 101 in the line items identified as "federal contingency funds", "state restricted contingency funds", and "local and private contingency funds" are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

Sec. 211. (1) Of the funds appropriated in section 101, the department may provide for indemnity as provided for pursuant to the animal industry act of 1987, Act No. 466 of the Public Acts of 1988, being sections 287.701 to 287.747 of the Michigan Compiled Laws, not to exceed \$10,000.00 per order, from any line item for the fiscal year ending September 30, 1996. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the senate and house appropriations subcommittees on agriculture and to the senate and house fiscal agencies.

(2) The department may make indemnification for the fair market value of livestock which is killed by a wolf. The kill shall be verified by the department of natural resources. The fair market value of the livestock shall be made in accordance with indemnification procedures prescribed in Act No. 466 of the Public Acts of 1988. The indemnification shall be paid pursuant to subsection (1).

Sec. 212. When the department applies to the department of management and budget with a request for a transfer of appropriations or for a supplemental appropriation, the department shall provide the senate and house fiscal agencies with the same information that the department provides the department of management and budget relative to the request for transfer or supplemental.

Sec. 214. (1) Beginning October 1, 1995, there is a hiring freeze imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees or prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal

transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in the state department or agency being unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exclusions to the hiring freeze approved during the previous month and the justification for the exclusion.

Sec. 215. Funds appropriated in this act shall not be used for the purchase of foreign goods or services when competitively priced American goods and services are available.

Sec. 217. (1) The director of the department shall take all reasonable steps to ensure that businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department.

(2) The director of the department shall strongly encourage firms with which the department contracts to subcontract with businesses certified by the department of civil rights in depressed and deprived communities for services or supplies, or both.

EXECUTIVE

Sec. 301. The appropriations in section 101 may be used for per diem payments to members of boards, committees, and commissions for a full day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

- (a) Commission of agriculture \$ 75.00 per day
- (b) Upper Peninsula state fair board \$ 50.00 per day
- (c) Agricultural marketing and bargaining board..... \$ 35.00 per day

Sec. 302. The department may receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, bean inspection services, and laboratory analyses as specified in the following:

- (a) Management services publications.
- (b) Management services audit and licensing functions.
- (c) Upper Peninsula state fair livestock sales.
- (d) Pesticide and plant pest management propagation and certification of virus free foundation stock.
- (e) Marketing and market development protection bean inspection and grading services.
- (f) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (g) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (h) Laboratory support analysis of food, livestock, and agricultural products for disease, toxic materials, foreign products for disease, toxic materials, foreign substances, and quality standards.
- (i) Laboratory support analysis of liming samples.
- (j) Laboratory support analysis of feed and fertilizer samples.
- (k) Laboratory support test samples for other agencies and organizations.
- (l) Fruit and vegetable inspection at shipping and termination points and processing plants.

Sec. 304. If the director is required to lay off any department employees to implement this act, the director shall be exempted from using a strict application of continuous service credits in accordance with guidelines developed by the state personnel director and approved by the civil service commission in order to preserve affirmative action gains made in a program approved by the Michigan equal employment and business opportunity council. This is in accordance with civil service commission rule.

Sec. 305. Of the funds appropriated in section 101 for statistical reporting service, \$120,000.00 shall be used for ongoing rotational crop surveys of fruit, vegetables, and nursery stock, including Christmas trees and ornamental plants. The survey shall begin with fruit in the first year, vegetables in the second year, and nursery stock in the third year. The rotational cycle of the survey shall continue in the fourth and subsequent years. The survey shall include existing plantings/acreage, new plantings/acreage, production, and number of growers.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 401. Of the funds appropriated in section 101 to the pesticide and plant pest management division, up to \$100,000.00 may be made available to the Michigan cooperative extension service for the purpose of training of applicators. Reimbursement shall be based on actual expenditures and revenue availability.

Sec. 402. (1) From the amount appropriated in section 101 for the gypsy moth program, \$100,000.00 shall be allocated to Michigan State University for a gypsy moth education program.

(2) Any unexpended balance which is allocated pursuant to this section shall be carried forward as a work project. The project shall provide public information regarding gypsy moth infestation. The project shall be managed by Michigan State University through a \$100,000.00 contract which shall be completed by September 30, 1997 for fiscal year 1995-1996.

Sec. 403. The department shall develop a strategy with accompanying cost estimates for the purpose of the suppression of the gypsy moth infestation in this state. In the development of this strategy, the department shall form a committee consisting of representatives from the department and the departments of natural resources, public health, and commerce and from Michigan State University. The department shall report its findings and steps taken in implementing the strategy to the house and senate appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the department of management and budget by January 1, 1996.

MARKETING AND MARKET DEVELOPMENT

Sec. 501. Within the appropriations in section 101 for marketing and market development, \$420,600.00 is for the grape and wine industry council, from which the department may provide grants for the purposes as described in section 16b of the Michigan liquor control act, Act No. 8 of the Public Acts of the Extra Session of 1933, being section 436.16b of the Michigan Compiled Laws.

Sec. 502. If the department offers a contract for competitive bid to provide fruit and vegetable inspection service by private entities, the bid package shall be divided so that entities may offer bids to provide services to specific portions of the state and not the entire state. However, a service area shall cover at least 25% of the state.

FOOD AND CONSUMER PROTECTION

Sec. 551. (1) From the amounts appropriated in section 101 for stages I and II vapor recovery programs, the department may expend funds for services and requirements associated with regulating stage I and stage II vapor recovery systems in the state pursuant to the motor fuels quality act, Act No. 44 of the Public Acts of 1984, being sections 290.641 to 290.650d of the Michigan Compiled Laws.

(2) The department may expend amounts for services and requirements associated with regulating stage I or stage II vapor recovery systems from motor vehicle emissions testing program funds and motor vehicle emissions inspection and maintenance program funds transferred from the state transportation department in accordance with the motor vehicle emissions testing program act, Act No. 232 of the Public Acts of 1993, being sections 257.2001 to 257.2042 of the Michigan Compiled Laws, and the motor vehicle emissions inspection and maintenance program act, Act No. 234 of the Public Acts of 1993, being sections 257.2051 to 257.2076 of the Michigan Compiled Laws.

(3) The expenditures made pursuant to this section may only be used to administer plans in conformance with requirements of the United States environmental protection agency.

OFFICE OF RACING COMMISSIONER

Sec. 601. The racing commissioner may pay rewards of not more than \$5,800.00 to a person who provides information which results in the arrest and conviction on a felony or misdemeanor charge for a crime which involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the licensing and regulation line item.

Sec. 602. Included in section 101 is an amount not to exceed \$190,000.00 for promotion of attendance at pari-mutuel horse racing. The state funds shall be matched before expenditure such that each \$2.00 of state funds is matched by \$1.00 of private industry funds. A race meeting licensee or an association of thoroughbred and harness racetracks or any horsemen's group may submit a plan and proposal to the racing commissioner for use of funds authorized to be expended for promotion of attendance at pari-mutuel horse racing. A plan shall be submitted by the commissioner to the chairpersons of the senate and house subcommittees on agriculture at least 30 days before the funds may be

expended. Each licensee or association of thoroughbred and harness racetracks or horsemen's group shall be eligible for promotional funds.

Sec. 603. The department shall submit a report each month for the fiscal year ending September 30, 1996 to the senate and house appropriations committees and to the senate and house fiscal agencies that sets forth the horse racing revenues generated in the preceding month by each breed of horse by licensed track.

Sec. 604. Funds appropriated in section 101 shall not be expended to conduct feasibility studies or to promote, encourage, or conduct dog racing in this state.

GRANTS

Sec. 701. Of the \$78,800.00 appropriated in section 101 for the Great Lakes draft horse show, \$28,300.00 shall be made available for the Michigan dynamometers association, \$46,700.00 shall be made available for the Michigan draft horse breeders association, and \$3,800.00 shall be used for advertisement and promotion of an annual Great Lakes international draft horse show.

Sec. 702. The independent audits of local units of government, as required by the uniform budgeting and accounting act, Act No. 2 of the Public Acts of 1968, being sections 141.421 to 141.440a of the Michigan Compiled Laws, shall include an examination to determine the accuracy of reports submitted in compliance with section 14 of the racing law of 1980, Act No. 327 of the Public Acts of 1980, being section 431.74 of the Michigan Compiled Laws. The reports shall be subject, at the authorization of the chairpersons of the senate and house appropriations committees, to the review of the auditor general.

Sec. 703. A county fair, district fair, 4-H fair, or state fair receiving funds under this act to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 704. (1) The appropriation of \$292,100.00 in section 101 for purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

(2) The appropriation in section 101 for licensed tracks - light horse racing shall be allocated as follows:

Arabian and Appaloosa horse racing	\$	20,900
Quarter horse racing	\$	63,100

Sec. 705. Of the amount appropriated in section 101 for purses and supplements-fairs, a sufficient amount is appropriated to provide for overnight purse supplements at a maximum supplement of \$1,000.00 per overnight race.

Sec. 706. Of the amount appropriated in section 101 for premiums, \$11,400.00 shall be expended as a grant for the Michigan horse show association-fall youth show at the Michigan exposition and fairgrounds.

Sec. 707. Included in the appropriation made in section 101 for the thoroughbred program is \$30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

Sec. 708. Of the horse race revenues collected for the fiscal year ending September 30, 1996 for grants to cities with racetracks, \$1,543,000.00 shall be appropriated to the general fund of the state in the following respective amounts: grants to cities with racetracks - \$1,543,000.00.

Sec. 709. In any given year when insufficient amounts of Michigan surplus products are offered to the food bank council and accepted for distribution, unused funds may be applied by the food bank council for the direct purchase of foods from Michigan growers, manufacturers, or wholesalers.

Sec. 710. From the amount appropriated in section 101 for energy conservation program/local soil conservation districts, \$50,000.00 shall be allocated to Michigan State University for improved pesticide application technology for the fruit and vegetable industry in Michigan.

Sec. 711. The amount appropriated in section 101 for grants to local soil conservation districts shall be used for providing financial assistance to all soil conservation districts in order to permit the districts to engage in programs that conserve soil resources and prevent and control soil erosion. All grants to local soil conservation districts shall be allocated according to a formula approved by the commission of agriculture. Any soil conservation district that allows payment for expenses to the district associate directors shall be considered ineligible to receive grant money.

Sec. 712. Indirect costs may not be charged against the grant in section 101 to the future farmers of America by any administering agency.

Sec. 713. (1) The \$100,000.00 appropriated in section 101 for the grown in Michigan program is to provide competitive grants to Michigan nonprofit organizations to raise in-state consumer awareness of Michigan grown commodities.

(2) The grants are to be made by the Michigan commission of agriculture on a competitive basis considering the following order of priority:

- (a) Cooperative efforts by recognized, statewide, grower funded organizations.
- (b) The number of Michigan residents made aware of the benefits of Michigan grown commodities.
- (c) The number of Michigan grown products encompassed in the proposal.
- (d) The amount of the match.
- (3) A grant made under this section shall not be less than \$10,000.00 or more than \$25,000.00.
- (4) Each grant shall be matched equally with grantees' funds. In-kind contributions shall not be considered as match.
- (5) The Michigan commission of agriculture shall report to the house and senate appropriations subcommittees on agriculture and senate and house fiscal agencies 10 days prior to making a grant under this section.

Sec. 714. From the appropriations for premiums-county and state fairs, \$140,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or expositions to promote youth involvement and adult exhibitions in the animal agriculture industry. Appropriate exhibition classes for youth shall be developed that encourage a production exhibit for which premium awards may be paid. The age for youth exhibitors shall be determined by the standards of the association requesting the grant or, if standards do not exist, the age for youth exhibitors shall be ages 9 through 21. Implementation of the latest technologies into the evaluation of the animals shall be encouraged in the production exhibit. Adult exhibitions should focus on the performance or end product, or both, with the appropriate technologies used to enhance placings and the awarding of premiums.

Sec. 715. From the section 101 appropriations for local soil conservation districts/clean water incentive program, \$300,000.00 shall be allocated for the hiring of district foresters to assist private forest land development. Allocations to districts will be made in accordance with a plan developed by the department of agriculture in cooperation with the forest management division of the department of natural resources.

Sec. 716. The department may, through local conservation districts, make funds available for costs associated with incorporating into the soil, land applied aquatic plants.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.