



# SENATE BILL No. 296

## EXECUTIVE BUDGET

February 16, 1995, Introduced by Senators MC MANUS and  
GAST and referred to the Committee on Appropriations.

A bill 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

APPROPRIATIONS SUMMARY:

1	Unclassified positions . . . . .	6.0	
2	Permanent career FTE employees . . . . .	480.0	
3	GROSS APPROPRIATION . . . . .	\$	63,624,700
4	Interdepartmental grant revenues:		
5	IDG-MDOC, liquor quality testing fees . . . . .		151,300
6	IDG-MDOC, nonretail liquor license fees . . . . .		420,600
7	IDG-MDOT . . . . .		622,600
8	Total interdepartmental grants and		
9	intradepartmental transfers . . . . .		1,194,500
10	ADJUSTED GROSS APPROPRIATION . . . . .	\$	62,430,200
11	Federal revenues:		
12	Total federal revenues . . . . .		5,143,500
13	Special revenue funds:		
14	Total local revenues . . . . .		0
15	Total private revenues . . . . .		522,900
16	Total other state restricted revenues . . . . .		13,170,300
17	State general fund/general purpose . . . . .	\$	43,593,500
18	EXECUTIVE AND MANAGEMENT SERVICES		
19	Commission and boards . . . . .	\$	48,500
20	Unclassified salaries . . . . .		449,900
21	Executive direction . . . . .		891,700
22	Affirmative action . . . . .		189,200
23	Statistical reporting service . . . . .		412,400
24	U.S.D.A. data collection program . . . . .		1,077,300
25	Management services . . . . .		<u>6,784,600</u>
26	GROSS APPROPRIATION . . . . .	\$	9,853,600
27	Appropriated from:		
28	Federal revenues:		
29	DAG . . . . .		1,077,300

1	Special revenue funds:		
2	Industry support funds . . . . .		25,800
3	Licensing and inspection . . . . .		63,200
4	Gasoline inspection and testing fund . . . . .		3,500
5	Upper Peninsula state fair revenue . . . . .		727,200
6	State general fund/general purpose . . . . .	\$	7,956,600
7	PLANT AND ENVIRONMENTAL PROTECTION		
8	Pesticide and plant pest management . . . . .	\$	12,396,800
9	Soil and water conservation . . . . .		<u>1,826,400</u>
10	GROSS APPROPRIATION . . . . .	\$	14,223,200
11	Appropriated from:		
12	Federal revenues:		
13	DAG . . . . .		2,105,600
14	EPA . . . . .		1,162,500
15	HHS-FDA . . . . .		15,600
16	Special revenue funds:		
17	Private-oil company overcharge		
18	settlement . . . . .		51,600
19	Groundwater and freshwater protection fund . . . . .		2,539,100
20	Licensing and inspection fees . . . . .		2,066,400
21	State general fund/general purpose . . . . .	\$	6,282,400
22	FOOD SAFETY AND CONSUMER PROTECTION		
23	Animal industry . . . . .	\$	2,276,700
24	Dairy products quality assurance . . . . .		3,070,200
25	Food and consumer protection . . . . .		<u>7,893,400</u>
26	GROSS APPROPRIATION . . . . .	\$	13,240,300
27	Appropriated from:		
28	Interdepartmental grant revenues:		
29	IDG-MDOT . . . . .		622,600

1	Federal revenues:		
2	DAG . . . . .		22,900
3	HHS-FDA . . . . .		201,800
4	Special revenue funds:		
5	Civil penalties . . . . .		25,900
6	Gasoline inspection and testing fund . . . . .		1,227,400
7	Licensing and inspection fees . . . . .		1,453,500
8	Pseudorabies and swine brucellosis fund . . . . .		88,700
9	State general fund/general purpose . . . . .	\$	9,597,500
10	LABORATORY SUPPORT		
11	Laboratory support . . . . .	\$	<u>5,839,700</u>
12	GROSS APPROPRIATION . . . . .	\$	5,839,700
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG-MDOC liquor quality testing fees . . . . .		151,300
16	Federal revenues:		
17	DAG . . . . .		21,000
18	Special revenue funds:		
19	Gasoline inspection and testing fund . . . . .		746,100
20	Pseudorabies and swine brucellosis fund . . . . .		58,700
21	Testing fees . . . . .		168,100
22	State general fund/general purpose . . . . .	\$	4,694,500
23	MARKETING AND MARKET DEVELOPMENT		
24	Marketing and market development . . . . .	\$	<u>2,760,000</u>
25	GROSS APPROPRIATION . . . . .	\$	2,760,000
26	Appropriated from:		
27	Interdepartmental grant revenues:		
28	IDG-MDOC nonretail liquor license fees . . . . .		420,600
29	Federal revenues:		

1	DAG . . . . .	126,800
2	Special revenue funds:	
3	Commodity inspection fees . . . . .	956,600
4	Industry support funds . . . . .	50,500
5	State general fund/general purpose . . . . . \$	1,205,500
6	OFFICE OF RACING COMMISSIONER	
7	Office of racing commissioner . . . . . \$	<u>3,640,300</u>
8	GROSS APPROPRIATION . . . . . \$	3,640,300
9	Appropriated from:	
10	Special revenue funds:	
11	Private-casino gambling agreement . . . . .	208,200
12	State general fund/general purpose . . . . . \$	3,432,100
13	GRANTS	
14	Michigan state university . . . . . \$	210,000
15	Energy conservation program/local soil	
16	conservation districts . . . . .	263,100
17	Grants to cities with racetracks . . . . .	1,745,600
18	Great Lakes draft horse show . . . . .	78,800
19	Building and track improvement-county and	
20	state fairs . . . . .	657,700
21	Premiums-county and state fairs . . . . .	1,471,200
22	Purses and supplements-fairs . . . . .	2,653,700
23	Standardbred fedele fauri futurity . . . . .	77,000
24	Standardbred Michigan futurity . . . . .	77,000
25	Quarterhorse programs . . . . .	50,000
26	Licensed tracks-light horse racing . . . . .	84,000
27	Standardbred breeders' awards . . . . .	1,201,500
28	Standardbred purses and supplements-licensed	
29	tracks . . . . .	292,100

1	Standardbred sire stakes program . . . . .	800,000
2	Standardbred training and stabling . . . . .	27,800
3	Thoroughbred program . . . . .	1,973,400
4	Thoroughbred sire stakes program . . . . .	424,000
5	Food bank . . . . .	500,000
6	Future farmers of America . . . . .	28,500
7	Local soil conservation districts/clean water	
8	incentive program . . . . .	1,000,000
9	Northwest Michigan horticultural research	
10	station . . . . .	41,800
11	Southwestern Michigan tourist council-taste	
12	of Michigan . . . . .	60,400
13	Grown in Michigan . . . . .	100,000
14	Michigan festivals . . . . .	50,000
15	Forest stewardship program . . . . .	<u>200,000</u>
16	GROSS APPROPRIATION . . . . .	\$ 14,067,600
17	Appropriated from:	
18	Federal revenues:	
19	DAG . . . . .	200,000
20	EPA . . . . .	210,000
21	Special revenue funds:	
22	Private-oil company overcharge settlement . . . . .	263,100
23	Horse racing revenues . . . . .	2,969,600
24	State general fund/general purpose . . . . .	\$ 10,424,900

## 25 GENERAL SECTIONS

26       Sec. 201. The expenditures and funding sources authorized under  
27 this bill are subject to the management and budget act, Act No. 431 of  
28 the Public Acts of 1984, being sections 18.1101 to 18.1594 of the  
29 Michigan Compiled Laws.

1       Sec. 202. (1) The amounts appropriated from one fund to another  
2 fund shall be authorized pursuant to annual appropriations within the  
3 departments responsible for each fund's appropriations.

4       (2) Funds for which the state is acting as the custodian or agent  
5 are not subject to annual appropriation.

6       Sec. 203. (1) The number of permanent career FTE employees shall  
7 not exceed the number listed in section 101 of this bill unless an  
8 exception has been granted by the director of the department of  
9 management and budget. Exceptions shall only be given if failure to  
10 fill the positions will result in rendering the department unable to  
11 deliver basic services, cause a loss of revenue to the state, or  
12 necessitate additional expenditures that exceed savings from  
13 maintaining a vacancy. On the fifteenth of each month, the department  
14 of management and budget shall report to the house and senate  
15 appropriations committees and the governor any exceptions that have  
16 been granted in the preceding month.

17       (2) Permanent career appointments shall be used as defined by the  
18 civil service commission.

19       (3) The number of FTEs to be funded by each individual line item  
20 amount shall be determined by the department within the overall limit  
21 on permanent career FTEs for the department.

22       Sec. 204. (1) Any federal, local, private, or state restricted  
23 funds received by a department in addition to the amount appropriated  
24 in section 101, are appropriated.

25       (2) Funds appropriated in subsection (1) totalling less than  
26 \$50,000.00 during the fiscal year from any one source may be expended  
27 for the purposes for which the funds were made available. Receipt of  
28 these funds shall be reported to the senate and house appropriations  
29 committees and the house and senate fiscal agencies within thirty days  
30 after the close of each fiscal quarter.

(3) Funds appropriated in subsection (1) totalling \$50,000.00 or more during the fiscal year are not available for expenditure until they have been transferred to another line item in this act through an administrative transfer as defined in section 393(1) of Act No. 431 of the Public Acts of 1984, as amended, being section 18.1393(1) of the Michigan Compiled Laws.

Sec. 205. 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. 206. As used in this act:

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

(b) "Director" means the director of the department.

(c) "DAG" means the United States department of agriculture.

(d) "EPA" means the United States environmental protection agency.

(e) "HHS" means the United States department of health and human services.

(f) "HHS-FDA" means the United States department of health and human services-food and drug administration.

(g) "IDG" means interdepartmental grant.

Sec. 207. 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. 208. Of the funds appropriated in section 101, the department



1 may provide for indemnity, as provided pursuant to the provisions of  
2 Act No. 466 of the Public Acts of 1988, being sections 287.701 to  
3 287.747 of the Michigan Compiled Laws, not to exceed \$10,000.00 per  
4 order, from any line item for the fiscal year ending September 30,  
5 1996. Before the department provides for an indemnification under this  
6 section, the department shall report the reason for the  
7 indemnification, the amount of the indemnification, and to whom the  
8 indemnification is to be paid. The report shall be given to each member  
9 of the senate and house appropriations subcommittees on agriculture and  
10 to the senate and house fiscal agencies.

11 Sec. 209. From the funds appropriated in section 101 such payments  
12 of wages and salaries as are made for classified state employees shall  
13 be made in accordance with applicable laws, rules, and regulations of  
14 the civil service commission. The funds identified in section 101 for  
15 unclassified employees are based upon prior year levels adjusted  
16 consistent with pay plan recommendations for non-exclusively  
17 represented employees (NEREs) of the civil service commission, except  
18 in the case of department directors and heads of type I agencies, where  
19 the funds provided are in an amount equal the standards established by  
20 the civil service commission as the maximum pay for state executive  
21 service classification 20 and state executive service classification 18  
22 employees, respectively. Although the funds identified in section 101  
23 for unclassified employees are based upon the standards set forth  
24 above, the exact salaries of individual unclassified employees shall be  
25 set by the appointing authority, not to exceed the state executive  
26 service classification 20 maximum payment in the case of a department  
27 director, or the state executive service classification 18 maximum  
28 payment in the case of a head of a type I agency. The salaries of  
29 individual unclassified employees shall be a matter of public record.

30 **EXECUTIVE AND MANAGEMENT SERVICES**

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

1 for disease, toxic materials, foreign substances, and quality  
2 standards.

3 (i) Laboratory support analysis of liming samples.

4 (j) Laboratory support analysis of feed and fertilizer samples.

5 (k) Laboratory support test samples for other agencies and  
6 organizations.

7 (l) Fruit and vegetable inspection at shipping and termination  
8 points and processing plants.

9 Sec. 303. Of the funds appropriated in section 101 for statistical  
10 reporting service, \$120,000.00 shall be used for crop surveys of  
11 fruits, vegetables, and nursery stock, including Christmas trees and  
12 ornamental plants. The survey shall be an ongoing rotational survey of  
13 these commodity groups. The survey shall begin with fruits in the first  
14 year, vegetables in the second year, and nursery stock in the third  
15 year. The rotational cycle of the survey shall continue in the fourth  
16 and subsequent years. The survey shall include existing  
17 plantings/acreage, new plantings/acreage, production, and number of  
18 growers.

#### 19 **PLANT AND ENVIRONMENTAL PROTECTION**

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

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

28 (2) Any unexpended balance which is allocated pursuant to this  
29 section shall be carried forward as a work project. The project shall  
30 provide public information regarding gypsy moth infestation. The

1 project shall be managed by Michigan state university through a  
2 \$100,000.00 contract which shall be completed by September 30, 1997.

3 **FOOD SAFETY AND CONSUMER PROTECTION**

4 Sec. 501. (1) From the amounts appropriated in section 101 for  
5 stages I and II vapor recovery programs, the department may expend  
6 funds for services and requirements associated with regulating stage I  
7 and stage II vapor recovery systems in the state pursuant to the motor  
8 fuels quality act, Act No. 44 of the Public Acts of 1984, being  
9 sections 290.641 to 290.650d of the Michigan Compiled Laws.

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

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

23 **MARKETING AND MARKET DEVELOPMENT**

24 Sec. 601. Within the appropriations in section 101 for marketing  
25 and market development, \$412,100.00 is for the grape and wine industry  
26 council, from which the department may provide grants for the purposes  
27 as described in section 16b of the Michigan liquor control act, Act No.  
28 8 of the Public Acts of the Extra Session of 1933, being section  
29 436.16b of the Michigan Compiled Laws.

30 Sec. 602. If the department offers a contract for competitive bid

1 to provide fruit and vegetable inspection service by private entities,  
2 the bid package shall be divided so that entities may offer bids to  
3 provide services to specific portions of the state and not the entire  
4 state. However, a service area shall cover at least 25% of the state.

5 **OFFICE OF RACING COMMISSIONER**

6 Sec. 701. The racing commissioner may pay rewards of not more than  
7 \$5,800.00 to a person who provides information which results in the  
8 arrest and conviction on a felony or misdemeanor charge for a crime  
9 which involves the horse racing industry. A reward paid pursuant to  
10 this section shall be paid out of the licensing and regulation line  
11 item.

12 Sec. 702. Included in section 101 is an amount not to exceed  
13 \$380,000.00 for promotion of attendance at pari-mutuel horse racing.  
14 The state funds shall be matched before expenditure, with each \$2.00 of  
15 state funds matched by \$1.00 of private industry funds. A race meeting  
16 licensee or an association of thoroughbred and harness racetracks or  
17 any horsemen's group may submit a plan and proposal to the racing  
18 commissioner for use of funds authorized to be expended for promotion  
19 of attendance at pari-mutuel horse racing. A plan shall be submitted by  
20 the commissioner to the chairpersons of the senate and house  
21 subcommittees on agriculture at least 30 days before the funds may be  
22 expended. Each licensee or association of thoroughbred and harness  
23 racetracks or horsemen's group shall be eligible for promotional funds.

24 Sec. 703. The department shall report by December 1, 1996, for  
25 fiscal year 1995-1996 to the senate and house appropriations committees  
26 and to the senate and house fiscal agencies the horse racing revenues  
27 generated by each breed of horse for which funds are appropriated in  
28 this act.

29 **GRANTS**

30 Sec. 801. Of the \$78,800.00 appropriated in section 101 for the

1 Great Lakes draft horse show, \$28,300.00 shall be made available for  
2 the Michigan dynamometers association, \$46,700.00 shall be made  
3 available for the Michigan draft horse breeders association, and  
4 \$3,800.00 shall be used for advertisement and promotion of an annual  
5 Great Lakes international draft horse show.

6 Sec. 802. The independent audits of local units of government, as  
7 required by the uniform budgeting and accounting act, Act No. 2 of the  
8 Public Acts of 1968, being sections 141.421 to 141.440a of the Michigan  
9 Compiled Laws, shall include an examination to determine the accuracy  
10 of reports submitted in compliance with section 14 of Act No. 327 of  
11 the Public Acts of 1980, being section 431.74 of the Michigan Compiled  
12 Laws. The reports shall be subject, at the authorization of the  
13 chairpersons of the senate and house appropriations committees, to the  
14 review of the auditor general.

15 Sec. 803. A county fair, district fair, 4-H fair, or state fair  
16 receiving funds under this act to be used for prizes or awards, in  
17 whole or in part, as a condition precedent to the receiving of the  
18 funds for those purposes, shall publish the rules relative to the  
19 prizes, awards, and deadlines for entries eligible for the funds in  
20 their official premium books or lists relative to the prizes or awards.  
21 An aggrieved exhibitor may make a written complaint to the fair within  
22 10 days after the fair ends. If the fair has not satisfactorily settled  
23 the grievance within 45 days after it is submitted to the fair, the  
24 aggrieved person may file the complaint with the department and the  
25 department shall investigate the complaint and make a finding of fact  
26 regarding the complaint and take appropriate action regarding the  
27 complaint.

28 Sec. 804. (1) The appropriation of \$292,100.00 in section 101 for  
29 standardbred purses and supplements-licensed tracks is intended to  
30 provide state purse supplements for four races at state licensed

1 pari-mutuel horse racing tracks. The purse supplements are to be used  
2 for races comprised only of Michigan bred horses segregated into a  
3 4-year-old colt trot division, a 4-year-old filly trot division, a  
4 4-year-old colt pace division, and a 4-year-old filly pace division.

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

7 Arabian and Appaloosa horse racing . . . . . \$ 20,900.00

8 Quarter horse racing . . . . . \$ 63,100.00

9 Sec. 805. Of the amount appropriated in section 101 for premiums,  
10 \$11,400.00 shall be expended as a grant for the Michigan horse show  
11 association-fall youth show at the Michigan exposition and fairgrounds.

12 Sec. 806. Included in the appropriation made in section 101 for the  
13 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred  
14 breeders and owners association to conduct a thoroughbred yearling  
15 show. The Michigan united thoroughbred breeders and owners association  
16 shall submit to the department an itemized list of expenses showing  
17 that the expenses of the yearling show were paid.

18 Sec. 807. Of the horse race revenues collected for fiscal year  
19 1995-1996 for grants to cities with racetracks, \$1,543,800.00 shall be  
20 appropriated to the general fund of the state.

21 Sec. 808. In any given year when insufficient amounts of Michigan  
22 surplus products are offered to the food bank council and accepted for  
23 distribution, funds appropriated in section 101 may be applied by the  
24 food bank council for the direct purchase of foods from Michigan  
25 growers, manufacturers, or wholesalers.

26 Sec. 809. From the amount appropriated in section 101 for energy  
27 conservation program/local soil conservation districts, \$50,000.00  
28 shall be allocated to Michigan state university for improved pesticide  
29 application technology for the fruit and vegetable industry in  
30 Michigan.

1       Sec. 810. The amount appropriated in section 101 for grants to  
2 local soil conservation districts shall be used for providing financial  
3 assistance to all soil conservation districts in order to permit the  
4 districts to engage in programs that conserve soil resources and  
5 prevent and control soil erosion. All grants to local soil conservation  
6 districts shall be allocated according to a formula approved by the  
7 commission of agriculture. Any soil conservation district that allows  
8 payment for expenses to the district associate directors shall be  
9 considered ineligible to receive grant money.

10       Sec. 811. Indirect costs may not be charged against the grant in  
11 section 101 to the future farmers of America by any administering  
12 agency.

13       Sec. 812. (1) The \$100,000.00 appropriated in section 101 for the  
14 grown in Michigan program is to provide competitive grants to Michigan  
15 nonprofit organizations to raise in-state consumer awareness of  
16 Michigan grown commodities.

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

20       (a) Cooperative efforts by recognized, statewide, grower funded  
21 organizations.

22       (b) The number of Michigan residents made aware of the benefits of  
23 Michigan grown commodities.

24       (c) The number of Michigan grown products encompassed in the  
25 proposal.

26       (d) The amount of the match.

27       (3) A grant made under this section shall not be less than  
28 \$10,000.00 or more than \$25,000.00.

29       (4) Each grant shall be matched equally with grantees' funds.  
30 In-kind contributions shall not be considered as match.



1       (5) The Michigan commission of agriculture shall report to the  
2 house and senate appropriations subcommittees on agriculture and senate  
3 and house fiscal agencies 10 days prior to making a grant under this  
4 section.