

**SUBSTITUTE FOR
HOUSE BILL NO. 5273**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2001; 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:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

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Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of agriculture for the fiscal year ending September 30, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

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For Fiscal Year Ending
September 30, 2001

1 DEPARTMENT OF AGRICULTURE

2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	643.5	
5	GROSS APPROPRIATION.....	\$	[103,291,400]
6	Interdepartmental grant revenues:		
7	IDG from MDCH, local public health operations.....		8,977,500
8	IDG from MDCIS (LCC), liquor quality testing fees....		161,100
9	IDG from MDCIS (LCC), nonretail liquor license fees..		457,200
10	IDG from MDEQ, sewer sludge.....		70,000
11	IDG from MDEQ, type II well survey.....		15,000
12	Total interdepartmental grants and intradepartmental		
13	transfers.....		9,680,800
14	ADJUSTED GROSS APPROPRIATION.....	\$	[93,610,600]
15	Federal revenues:		
16	DAG-AMS, cooperative agreement.....		1,155,400
17	DAG-APHIS, plant and animal disease and pest control.		55,000
18	DAG-ERS-ARED.....		126,100
19	DAG, federal/state marketing improvement program.....		100,000
20	DAG-FS, multiple grants.....		1,981,200
21	DAG-NRCS.....		250,000
22	EPA, multiple grants.....		250,000
23	EPA-OECA, pesticides enforcement program grants.....		1,510,000
24	EPA-OW, water pollution control, lake restoration		
25	cooperative agreements.....		236,300
26	EPA-RCRA.....		165,000

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1	HHS-FDA.....	208,000
2	Total federal revenues.....	6,037,000
3	Special revenue funds:	
4	Total local revenues.....	0
5	Private - oil company overcharge settlement.....	991,900
6	Private - slow-the-spread foundation.....	130,000
7	Total private revenues.....	1,121,900
8	Agriculture equine industry development fund.....	13,158,900
9	Civil penalties.....	60,000
10	Commodity inspection fees.....	991,500
11	Food handler licensing fees.....	1,105,400
12	Gasoline inspection and testing fund.....	1,523,100
13	Groundwater and freshwater protection fund.....	4,577,800
14	Industry support funds.....	270,000
15	Licensing and inspection fees.....	2,726,000
16	Michigan state fair revenue.....	7,162,700
17	Pseudorabies and swine brucellosis fund.....	87,100
18	Testing fees.....	167,100
19	Upper Peninsula state fair revenue.....	1,209,000
20	Weights and measures regulation fees.....	323,400
21	Total other state restricted revenues.....	33,362,000
22	State general fund/general purpose..... \$	[53,089,700]
23	Sec. 102. EXECUTIVE	
24	Full-time equated unclassified positions.....6.0	
25	Full-time equated classified positions.....67.0	
26	Commission and boards..... \$	63,300

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1	Unclassified positions--6.0 FTE positions.....	477,200
2	Executive direction--4.0 FTE positions.....	440,500
3	Management services--58.0 FTE positions.....	5,260,900
4	Statistical reporting service--5.0 FTE positions.....	461,300
5	Project GREEN.....	<u>6,100,000</u>
6	GROSS APPROPRIATION..... \$	12,803,200
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from MDCIS (LCC), nonretail liquor license fees..	8,800
10	Special revenue funds:	
11	Gasoline inspection and testing fund.....	47,800
12	Industry support funds.....	5,000
13	Licensing and inspection fees.....	62,100
14	Michigan state fair revenue.....	77,600
15	Upper Peninsula state fair revenue.....	9,000
16	State general fund/general purpose..... \$	12,592,900
17	Sec. 103. DEPARTMENTWIDE	
18	Building occupancy charges - property management	
19	services..... \$	843,000
20	Rent.....	<u>289,700</u>
21	GROSS APPROPRIATION..... \$	1,132,700
22	Appropriated from:	
23	Special revenue funds:	
24	Gasoline inspection and testing fund.....	3,200
25	State general fund/general purpose..... \$	1,129,500
26	Sec. 104. FOOD AND DAIRY	

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1	Full-time equated classified positions.....	112.0	
2	Food safety and quality assurance--	112.0 FTE	
3	positions.....		\$ 9,360,800
4	Local public health operations.....		<u>8,977,500</u>
5	GROSS APPROPRIATION.....		\$ 18,338,300
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG from MDCH, local public health operations.....		8,977,500
9	Federal revenues:		
10	DAG-AMS, cooperative agreement.....		22,500
11	HHS-FDA.....		183,600
12	Special revenue funds:		
13	Civil penalties.....		60,000
14	Food handler licensing fees.....		1,105,400
15	Licensing and inspection fees.....		576,400
16	State general fund/general purpose.....		\$ 7,412,900
17	Sec. 105. ANIMAL INDUSTRY		
18	Full-time equated classified positions.....	55.0	
19	Animal health and welfare--	26.0 FTE positions.....	\$ 2,253,200
20	Bovine tuberculosis program--	29.0 FTE positions.....	<u>3,488,900</u>
21	GROSS APPROPRIATION.....		\$ 5,742,100
22	Appropriated from:		
23	Federal revenues:		
24	HHS-FDA.....		9,000
25	Special revenue funds:		
26	Licensing and inspection fees.....		34,500

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1	Pseudorabies and swine brucellosis fund.....	87,100
2	State general fund/general purpose..... \$	5,611,500
3	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
4	Full-time equated classified positions.....133.3	
5	Pesticide and plant pest management--133.3 FTE	
6	positions..... \$	12,853,900
7	Disease and pest intervention fund.....	201,800
8	Michigan State University.....	<u>210,000</u>
9	GROSS APPROPRIATION..... \$	13,265,700
10	Appropriated from:	
11	Federal revenues:	
12	DAG-AMS, cooperative agreement.....	36,400
13	DAG-APHIS, plant and animal disease and pest control.	34,600
14	DAG-FS, multiple grants.....	1,881,200
15	EPA-OECA, pesticides enforcement program grants.....	1,510,000
16	HHS-FDA.....	15,400
17	Special revenue funds:	
18	Private - slow-the-spread foundation.....	130,000
19	Commodity inspection fees.....	991,500
20	Licensing and inspection fees.....	2,053,000
21	State general fund/general purpose..... \$	6,613,600
22	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
23	Full-time equated classified positions.....48.0	
24	Environmental stewardship--38.0 FTE positions..... \$	3,413,500
25	Groundwater and freshwater protection program--10.0	
26	FTE positions.....	5,077,800

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1	Energy conservation program.....	138,000
2	Forest stewardship program.....	100,000
3	Local conservation districts.....	2,900,000
4	Migrant labor housing.....	<u>850,000</u>
5	GROSS APPROPRIATION..... \$	12,479,300
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from MDEQ, sewer sludge.....	70,000
9	IDG from MDEQ, type II well survey.....	15,000
10	Federal revenues:	
11	DAG-FS, multiple grants.....	100,000
12	DAG-NRCS.....	250,000
13	EPA, multiple grants.....	250,000
14	EPA-OW, water pollution control, lake restoration	
15	cooperative agreements.....	236,300
16	EPA-RCRA.....	165,000
17	Special revenue funds:	
18	Private - oil company overcharge settlement.....	193,900
19	Groundwater and freshwater protection fund.....	4,577,800
20	Industry support funds.....	40,000
21	State general fund/general purpose..... \$	6,581,300
22	Sec. 108. LABORATORY PROGRAM	
23	Full-time equated classified positions.....132.0	
24	Laboratory analysis program--73.5 FTE positions..... \$	5,831,700
25	Pesticide data program--14.0 FTE positions.....	1,096,500
26	Consumer protection program--44.5 FTE positions.....	<u>3,240,800</u>

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1	GROSS APPROPRIATION.....	\$	10,169,000
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from MDCIS (LCC), liquor quality testing fees....		161,100
5	Federal revenues:		
6	DAG-AMS, cooperative agreement.....		1,096,500
7	DAG-APHIS, plant and animal disease and pest control.		20,400
8	Special revenue funds:		
9	Private - oil company overcharge settlement.....		798,000
10	Agriculture equine industry development fund.....		500,000
11	Gasoline inspection and testing fund.....		1,472,100
12	Testing fees.....		167,100
13	Weights and measures regulation fees.....		323,400
14	State general fund/general purpose.....	\$	5,630,400
15	Sec. 109. MARKET DEVELOPMENT		
16	Full-time equated classified positions.....	21.5	
17	Marketing and emergency management--	15.5 FTE	
18	positions.....	\$	2,244,000
19	Agriculture development--	6.0 FTE positions	1,145,100
20	Food bank.....		[1,274,200]
21	Grown in Michigan.....		100,000
22	Northwest Michigan horticultural research station....		41,800
23	Southwestern Michigan tourist council - taste of		
24	Michigan.....		60,400
25	Future farmers of America.....		<u>60,000</u>
26	GROSS APPROPRIATION.....	\$	[4,925,500]

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1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from MDCIS (LCC), nonretail liquor license fees..	448,400
4	Federal revenues:	
5	DAG-ERS-ARED.....	126,100
6	DAG, federal/state marketing improvement program.....	100,000
7	Special revenue funds:	
8	Industry support funds.....	225,000
9	State general fund/general purpose..... \$	[4,026,000]
10	Sec. 110. FAIRS AND EXPOSITIONS	
11	Full-time equated classified positions.....35.0	
12	Michigan state fair operations--22.0 FTE positions... \$	6,994,300
13	Upper Peninsula state fair--8.0 FTE positions.....	1,375,700
14	Fairs and racing--5.0 FTE positions.....	604,300
15	Building and track improvement - county and state	
16	fairs.....	966,300
17	Premiums - county and state fairs.....	1,707,900
18	Purses and supplements - fairs/licensed tracks.....	2,684,100
19	Standardbred Fedele Fauri futurity.....	87,900
20	Standardbred Michigan futurity.....	87,900
21	Quarter horse programs.....	39,600
22	Licensed tracks-light horse racing.....	76,700
23	Standardbred breeders' awards.....	1,332,000
24	Standardbred purses and supplements-licensed tracks..	291,600
25	Sire stakes program.....	2,145,500
26	Standardbred training and stabling.....	43,700

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1	Thoroughbred program.....	1,859,800
2	Thoroughbred owners' awards.....	155,700
3	Michigan festivals.....	50,000
4	Draft horse shows.....	<u>78,200</u>
5	GROSS APPROPRIATION..... \$	20,581,200
6	Appropriated from:	
7	Special revenue funds:	
8	Agriculture equine industry development fund.....	8,804,500
9	Michigan state fair revenue.....	7,085,100
10	Upper Peninsula state fair revenue.....	1,200,000
11	State general fund/general purpose..... \$	3,491,600
12	Sec. 111. OFFICE OF RACING COMMISSIONER	
13	Full-time equated classified positions.....39.7	
14	Office of racing commissioner--39.7 FTE positions.... \$	<u>3,854,400</u>
15	GROSS APPROPRIATION..... \$	3,854,400
16	Appropriated from:	
17	Special revenue funds:	
18	Agriculture equine industry development fund.....	3,854,400
19	State general fund/general purpose..... \$	0

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22 PART 2

23 PROVISIONS CONCERNING APPROPRIATIONS

24 GENERAL SECTIONS

25 Sec. 201. Pursuant to section 30 of article IX of the state

26 constitution of 1963, total state spending from state resources under

27 part 1 for fiscal year 2000-2001 is [\$86,451,700.00] and state spending

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1 from state resources to be paid to local units of government for fiscal
2 year 2000-2001 is \$4,600,000.00. The itemized statement below identifies
3 appropriations from which spending to units of local government will
4 occur:

5 DEPARTMENT OF AGRICULTURE

6	Groundwater and freshwater protection program.....	\$	1,700,000
7	Local conservation districts.....		<u>2,900,000</u>
8	TOTAL.....	\$	4,600,000

9 Sec. 202. The appropriations authorized under this act are subject
10 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

11 Sec. 203. As used in this act:

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

13 (b) "DAG-AMS" means the United States department of agriculture -
14 agriculture marketing service.

15 (c) "DAG-APHIS" means the United States department of agriculture -
16 animal plant health inspection service.

17 (d) "DAG-ERS-ARED" means the United States department of
18 agriculture - economic research service - agriculture and rural economy
19 division.

20 (e) "DAG-FS" means the United States department of agriculture -
21 forest service.

22 (f) "DAG-NRCS" means the United States department of agriculture -
23 natural resources conservation service.

24 (g) "Department" means the department of agriculture.

25 (h) "Director" means the director of the department.

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

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1 (j) "EPA-OECA" means the United States environmental protection
2 agency - office of enforcement and compliance assistance.

3 (k) "EPA-OW" means the United States environmental protection
4 agency - office of water.

5 (l) "EPA-RCRA" means the United States environmental protection
6 agency - resource conservation and recovery act.

7 (m) "FTE" means full-time equated.

8 (n) "GREEN" means generating research and extension to meet
9 environmental and economic needs.

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

12 (p) "IDG" means interdepartmental grant.

13 (q) "MDCH" means the Michigan department of community health.

14 (r) "MDCIS (LCC)" means the Michigan department of consumer and
15 industry services - liquor control commission.

16 (s) "MDEQ" means the Michigan department of environmental quality.

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

22 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
23 the state classified civil service. State departments and agencies are
24 prohibited from hiring any new full-time state classified civil service
25 employees and prohibited from filling any vacant state classified civil
26 service positions. This hiring freeze does not apply to internal
27 transfers of classified employees from 1 position to another within a

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1 department or to positions that are funded with 80% or more federal or
2 restricted funds.

3 (2) The state budget director shall grant exceptions to this hiring
4 freeze when the state budget director believes that the hiring freeze
5 will result in rendering a state department or agency unable to deliver
6 basic services. The state budget director shall report by the fifteenth
7 of each month to the chairpersons of the senate and house of representa-
8 tives standing committees on appropriations the number of exceptions to
9 the hiring freeze approved during the previous month and the justifica-
10 tion for the exception.

11 Sec. 206. (1) In addition to the funds appropriated in part 1,
12 there is appropriated an amount not to exceed \$5,000,000.00 for federal
13 contingency funds. These funds are not available for expenditure until
14 they have been transferred to another line item in this act under
15 section 393(2) of the management and budget act, 1984 PA 431,
16 MCL 18.1393.

17 (2) In addition to the funds appropriated in part 1, there is appro-
18 priated an amount not to exceed \$6,000,000.00 for state restricted con-
19 tingency funds. These funds are not available for expenditure until they
20 have been transferred to another line item in this act under
21 section 393(2) of the management and budget act, 1984 PA 431,
22 MCL 18.1393.

23 (3) In addition to the funds appropriated in part 1, there is appro-
24 priated an amount not to exceed \$100,000.00 for local contingency funds.
25 These funds are not available for expenditure until they have been trans-
26 ferred to another line item in this act under section 393(2) of the
27 management and budget act, 1984 PA 431, MCL 18.1393.

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1 (4) In addition to the funds appropriated in part 1, there is
2 appropriated an amount not to exceed \$100,000.00 for private contingency
3 funds. These funds are not available for expenditure until they have
4 been transferred to another line item in this act under section 393(2) of
5 the management and budget act, 1984 PA 431, MCL 18.1393.

6 Sec. 207. At least 60 days before beginning any effort to privati-
7 ze, the department shall submit a complete project plan to the appropri-
8 ate senate and house of representatives appropriations subcommittees and
9 the senate and house fiscal agencies. The plan shall include the cri-
10 teria under which the privatization initiative will be evaluated. The
11 evaluation shall be completed and submitted to the appropriate senate and
12 house of representatives appropriations subcommittees and the senate and
13 house fiscal agencies within 30 months.

14 Sec. 208. The department shall continue to pilot the use of the
15 Internet to fulfill the reporting requirements of this act. This may
16 include transmission of reports via electronic mail to the recipients
17 identified for each reporting requirement or it may include placement of
18 reports on the Internet or legislative Intranet site. The senate and
19 house of representatives appropriations subcommittees and senate and
20 house fiscal agencies shall be notified in writing of the Internet or
21 Intranet site of any such report. Quarterly, the department shall pro-
22 vide a cumulative listing of the reports submitted during the most recent
23 3-month period along with the Internet or Intranet site of each report,
24 and a list of those reports expected to be transmitted in the following
25 quarter.

26 Sec. 209. Funds appropriated in part 1 shall not be used for the
27 purchase of foreign goods or services, or both, if competitively priced

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1 and of comparable quality American goods or services, or both, are
2 available.

3 Sec. 210. The director of each department receiving appropriations
4 in part 1 shall take all reasonable steps to ensure businesses in
5 deprived and depressed communities compete for and perform contracts to
6 provide services or supplies, or both. Each director shall strongly
7 encourage firms with which the department contracts to subcontract with
8 certified businesses in depressed and deprived communities for services,
9 supplies, or both.

10 Sec. 211. (1) The unexpended and unobligated balance of any state
11 restricted fund or account remaining at the end of the fiscal year shall
12 revert back to the state restricted fund or account from which appropri-
13 ated and be available for appropriation for the next fiscal year.
14 Appropriations that revert to a state restricted fund or account pursuant
15 to this section shall not revert to the general fund of this state.

16 (2) A state restricted revenue fund or account that receives reve-
17 nues in excess of expenditures made from that state restricted revenue
18 fund or account shall not have the excess revenue revert to the general
19 fund of this state.

20 (3) The revenues collected in the agriculture equine industry devel-
21 opment fund in fiscal year 1999-2000 shall not lapse but shall be carried
22 forward to fund appropriations made pursuant to this act and subsequent
23 acts.

24 Sec. 212. (1) Of the funds appropriated in part 1, the department
25 may provide for indemnity as provided for pursuant to the animal industry
26 act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed
27 \$10,000.00 per order from any line item for the fiscal year ending

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1 September 30, 2001. Before the department provides for an
2 indemnification under this section, the department shall report the
3 reason for the indemnification, the amount of the indemnification, and to
4 whom the indemnification is to be paid. The report shall be given to
5 each member of the house and senate appropriations subcommittees on agri-
6 culture and to the senate and house fiscal agencies.

7 (2) The department of agriculture shall make an indemnification pay-
8 ment for the fair market value of livestock that is killed by a wolf, if
9 the kill is verified by the department of natural resources. The fair
10 market value of the livestock shall be determined pursuant to the indem-
11 nification procedures prescribed in the animal industry act of 1987, 1988
12 PA 466, MCL 287.701 to 287.747. In addition to the funds appropriated in
13 part 1, the department of agriculture is authorized to expend the funds
14 received from the department of natural resources to reimburse the
15 department of agriculture for all indemnification payments made pursuant
16 to this subsection.

17 Sec. 213. When the department applies to the department of manage-
18 ment and budget with a request for a transfer of appropriations or for a
19 supplemental appropriation, the department shall provide the senate and
20 house fiscal agencies with the same information that the department pro-
21 vides the department of management and budget relative to the request for
22 transfer or supplemental.

23 Sec. 214. Of the funds appropriated in part 1 that are other than
24 line-item grants, the department shall not provide grants to local gov-
25 ernment agencies, institutions of higher education, or nonprofit organi-
26 zations unless the department provides notice of the grant to the house
27 and senate appropriations subcommittees on agriculture at least 10 days

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1 before the grant is issued. The grants shall be used to support research
2 or other related activities for the purpose of enhancing the agricultural
3 industries in this state.

4 Sec. 215. The legislature will not fund nonfair or nonhorse racing
5 grants or projects from revenues from simulcasting in fiscal year
6 2001-2002.

7 Sec. 216. By December 1, 2000, the department shall provide the
8 house and senate appropriations subcommittees on agriculture and the
9 house and senate fiscal agencies a report that outlines programs funded
10 under this act. The report shall provide explanation of the activities
11 and personnel funded with each line item, consistent with the format of
12 this act.

13 Sec. 217. The departments and state agencies receiving appropria-
14 tions under this act shall receive and retain copies of all reports
15 funded from appropriations in part 1. These departments and state agen-
16 cies shall follow federal and state guidelines for short-term and
17 long-term retention of these reports and records.

18 Sec. 218. The department shall provide a report prepared by the
19 department's internal auditor on the activities of the internal auditor
20 for the prior fiscal year. This report shall include a listing of each
21 audit or investigation performed by the internal auditor pursuant to
22 sections 486(4) and 487 of the management and budget act, 1984 PA 431,
23 MCL 18.1486 and 18.1487. The report shall identify the proportion of
24 time spent on each of the statutory responsibilities listed in
25 sections 485(4), 486(4), and 487 of the management and budget act, 1984
26 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all
27 other activities performed in the internal audit function. The first

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1 report shall be due March 1, 2000, and biennially thereafter beginning on
2 May 1 and shall be submitted to the governor, auditor general, the senate
3 and house appropriations committees, the senate and house fiscal agen-
4 cies, and the director.

5 Sec. 219. The unexpended and unencumbered balance of revenue depos-
6 ited pursuant to section 20(12) of 1997 PA 73, MCL 731.320, for the
7 fiscal year ending September 30, 2001, shall be appropriated to the
8 Michigan agriculture equine industry development fund for distribution as
9 set forth in section 20(4) to section 20(11) of 1997 PA 73, MCL 431.320.

10 **EXECUTIVE**

11 Sec. 301. The appropriations in section 102 may be used for per
12 diem payments to members of boards, committees, and commissions for a
13 full day's board, committee, or commission work at which a quorum is
14 present; for attending a hearing as authorized by the respective board,
15 committee, or commission; or for performing official business as autho-
16 rized by the respective board, committee, or commission. The per diem
17 payments shall be at a rate as follows:

18	(a) Commission of agriculture.....	\$	75.00 per day
19	(b) Upper Peninsula state fair board.....	\$	50.00 per day
20	(c) Agricultural marketing and bargaining board.....	\$	35.00 per day
21	(d) Michigan state fair council.....	\$	50.00 per day
22	(e) Grape and wine industry council.....	\$	50.00 per day

23 Sec. 302. The department may receive and expend revenue and use
24 that revenue to cover necessary expenses related to publications, audit
25 and licensing functions, livestock sales, certification of nursery stock,

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1 bean inspection services, and laboratory analyses as specified in the
2 following:

3 (a) Management services publications.

4 (b) Management services audit and licensing functions.

5 (c) Upper Peninsula state fair livestock sales.

6 (d) Pesticide and plant pest management propagation and certifica-
7 tion of virus free foundation stock.

8 (e) Pesticide and plant pest management bean inspection and grading
9 services.

10 (f) Laboratory support testing for testing horses in draft horse
11 pulling contests at county fairs when local jurisdictions request state
12 assistance.

13 (g) Laboratory support analyses to determine foreign substances in
14 horses engaged in racing or pulling contests at tracks.

15 (h) Laboratory support analysis of food, livestock, and agricultural
16 products for disease, foreign products for disease, toxic materials, for-
17 eign substances, and quality standards.

18 (i) Laboratory support test samples for other agencies and
19 organizations.

20 (j) Fruit and vegetable inspection at shipping and termination
21 points and processing plants.

22 Sec. 303. Of the funds appropriated in section 102 for statistical
23 reporting service, \$120,000.00 shall be used for ongoing rotational crop
24 surveys of fruit, vegetables, and nursery stock, including Christmas
25 trees and ornamental plants. The survey shall begin with fruit in the
26 first year, vegetables in the second year, and nursery stock in the third
27 year. The rotational cycle of the survey shall continue in the fourth

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1 and subsequent years. The survey shall include existing
2 plantings/acreage, new plantings/acreage, production, and number of
3 growers.

4 Sec. 304. (1) From the appropriation in section 102 for project
5 GREEN, \$6,100,000.00 is allocated for a grant to an institution of
6 higher education for the purpose of research and/or extension programs
7 designed to address critical regulatory, food safety, economic, and envi-
8 ronmental problems faced by Michigan's plant-based agriculture, forestry,
9 and processing industries.

10 (2) A consortium of interested parties consisting of, but not
11 limited to, representatives from the department, institutions of higher
12 education, and agricultural commodity groups shall develop the research
13 and/or extension program priorities described in subsection (1).

14 (3) Any unexpended balance of the appropriation for project GREEN
15 in part 1 is considered a work project appropriation. Project GREEN
16 projects will be accomplished by the use of contractual services with an
17 estimated completion date of September 30, 2003.

18 (4) Not later than November 1, 2001, the grantee under
19 subsection (1) shall submit to the house and senate appropriations sub-
20 committees on agriculture and to the house and senate fiscal agencies a
21 report for the immediately preceding fiscal year regarding project GREEN
22 projects. The report shall include, but is not limited to, the dollar
23 amount of each project and a review of each project's performance and
24 accomplishments.

25 (5) Indirect costs shall not be charged by an administering agency
26 against a grant funded under the allocation in subsection (1).

1 FOOD AND DAIRY

2 Sec. 401. (1) The department shall monitor restaurant inspection
3 and licensing functions carried out by local health departments to ensure
4 uniform application and enforcement of minimum program requirements. On
5 or before September 30, 2001, the department shall report to the senate
6 and house appropriations subcommittees on agriculture, the senate and
7 house fiscal agencies, and the state budget director on local health
8 department conformance with minimum program requirements.

9 (2) If a local unit of government incurs additional costs resulting
10 from its efforts to control a significant food-borne outbreak, the direc-
11 tor shall seek additional resources to reimburse the local unit of gov-
12 ernment for these additional costs. The director shall involve the local
13 health officer of the jurisdiction affected in all aspects of the control
14 of any food-borne outbreak.

15 Sec. 402. Not later than February 1, 2001, the department shall
16 provide a report to the house and senate appropriations subcommittees on
17 agriculture and the house and senate fiscal agencies describing signifi-
18 cant food-borne outbreaks and emergencies including any enforcement
19 actions taken related to food safety during the 1999-2000 fiscal year.

20 ANIMAL INDUSTRY

21 Sec. 450. From the funds appropriated in part 1 for the bovine
22 tuberculosis program, the department of agriculture shall reimburse the
23 department of natural resources for those costs associated with monitor-
24 ing and testing wildlife for bovine tuberculosis that are necessary to
25 support the department of agriculture goals and are jointly agreed to by

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1 the department of agriculture and the department of natural resources to
2 be in excess of efforts necessary to effectively plan and execute the
3 eradication of bovine tuberculosis from Michigan's wild free-ranging deer
4 herd.

5 PESTICIDE AND PLANT PEST MANAGEMENT

6 Sec. 501. Of the funds appropriated in section 106 to the pesticide
7 and plant pest management division, up to \$100,000.00 may be made avail-
8 able to the Michigan cooperative extension service for the purpose of
9 training of applicators. Reimbursement shall be based on actual expendi-
10 tures and revenue availability.

11 Sec. 502. From the appropriation in section 106 for the disease and
12 pest intervention fund program, the department shall utilize these funds
13 as needed to respond to exotic or regulatory pests or diseases.

14 Sec. 503. The department is authorized to enter into a cooperative
15 agreement with a nonprofit foundation or agency associated with the gypsy
16 moth slow-the-spread program in order to receive funds for managing plant
17 pests.

18 ENVIRONMENTAL STEWARDSHIP

19 Sec. 601. The funds appropriated in section 107 for the energy con-
20 servation program shall be distributed on a competitive basis that will
21 be based on statewide energy conservation criteria.

22 Sec. 602. (1) The department may expend the amount appropriated in
23 section 107 for migrant labor housing grants for construction of new

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1 migrant labor housing. Project grants shall not exceed \$4,000.00 per
2 unit. An applicant is not eligible for more than a \$16,000.00 grant in
3 any fiscal year. Units shall be equivalent in construction to units
4 approved by the DAG-rural development agency for low interest construc-
5 tion loans and shall be not less than 484 square feet in size and be
6 self-contained with a minimum of 1 bedroom, a kitchen, a flush toilet, a
7 lavatory, and bathing facilities.

8 (2) Any unexpended migrant labor housing funds from the prior year
9 shall be available for grants in the subsequent fiscal year.

10 Sec. 603. (1) From the amounts appropriated in section 107 for
11 migrant labor housing, no less than \$100,000.00 shall be allocated to a
12 private, nonprofit entity for the purpose of providing matching grants
13 for the improvement or new construction of migrant labor housing. The
14 terms or requirements imposed on a recipient of a grant awarded for
15 migrant labor housing improvement or new construction by a private, non-
16 profit entity shall be no less stringent than those imposed by the
17 department on recipients of similar grants awarded by the department. An
18 entity receiving funds under this section shall use no greater than 7% of
19 the state allocation for the administration of this program.

20 (2) A private nonprofit entity that receives an allocation to admin-
21 ister a migrant labor housing construction grant program shall give pri-
22 ority to grant applicants who are on the department's waiting list of
23 applicants for migrant labor housing construction grants. The applicants
24 for migrant labor construction grants administered by a nonprofit entity
25 who are on the department's waiting list shall be served in the order in
26 which they reside on the department's waiting list.

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1 Sec. 604. The department shall apply for all federal funds for
2 which it is eligible that can be used to support the migrant labor
3 housing program.

4 Sec. 605. The appropriation in section 107 for local conservation
5 districts shall be allocated in the following manner:

6 (a) Of the total appropriation, \$690,000.00 shall be allocated for
7 district forestry and wildlife programs to assist private land
8 management. Grants to districts will be made in accordance with a plan
9 developed by the department of agriculture in cooperation with the forest
10 management division of the department of natural resources.

11 (b) Of the total appropriation, \$130,000.00 shall be allocated for
12 local conservation district training.

13 (c) Of the total appropriation, each local conservation district
14 meeting the minimum grant requirements shall receive a grant of
15 \$20,000.00 to support basic operations, unless the district resides in a
16 county consisting of multiple districts, in which case a \$20,000.00 grant
17 shall be divided equally among the districts in that county. It is the
18 intent of the legislature that the amount of money allocated under this
19 subdivision shall not be used by local conservation districts to replace
20 any money received from local sources.

21 (d) Of the remaining appropriation after distributions under subdi-
22 visions (a) through (c), additional grants, not to exceed \$20,000.00 per
23 local conservation district, may be provided based on a formula approved
24 by the commission of agriculture. Grants under this subdivision shall
25 require at least a 100% cash or in-kind local match. Criteria use to
26 distribute grants under this subdivision shall include, but are not

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1 limited to, the natural resources need, the size, and the population of
2 the area served by each local conservation district.

3 MARKET DEVELOPMENT

4 Sec. 701. Within the appropriations in section 109 for market
5 development, \$448,400.00 is for the grape and wine industry council, from
6 which the department may provide grants for the purposes as described in
7 section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL
8 436.1303.

9 Sec. 702. In any given year when insufficient amounts of Michigan
10 surplus products are offered to the food bank council and accepted for
11 distribution, unused funds may be applied by the food bank council for
12 the direct purchase of foods from Michigan growers, manufacturers, or
13 wholesalers.

14 Sec. 703. (1) The \$100,000.00 appropriated in section 109 for the
15 grown in Michigan program is to provide competitive grants to Michigan
16 nonprofit organizations to raise in-state consumer awareness of Michigan
17 grown commodities.

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

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

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

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

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1 (d) The amount of the match.

2 (3) A grant made under this section shall not be less than \$5,000.00
3 or more than \$25,000.00.

4 (4) Each grant shall be matched equally with grantees' funds.

5 In-kind contributions shall not be considered as matching funds.

6 (5) The Michigan commission of agriculture shall report to the house
7 and senate appropriations subcommittees on agriculture and senate and
8 house fiscal agencies 10 days prior to making a grant under this
9 section.

10 Sec. 704. Indirect costs may not be charged against the future
11 farmers of America grant in section 109 by any administering agency.

12 Sec. 705. Of the funds appropriated in section 109 for agriculture
13 development, \$200,000.00 shall be used to coordinate state participation
14 in the federal market access program and to leverage federal funds for
15 the purpose of developing new and enhancing existing export markets for
16 Michigan agricultural products.

17 **FAIRS AND EXPOSITIONS**

18 Sec. 801. The department shall submit a report each month for the
19 fiscal year ending September 30, 2001 to the state budget director, the
20 senate and house standing committees on appropriations, and the senate
21 and house fiscal agencies that sets forth the simulcasting revenues gen-
22 erated in the preceding month by each licensed track and the amount
23 received from license fees.

24 Sec. 802. (1) The appropriation of \$291,600.00 in section 110 for
25 standardbred purses and supplements - licensed tracks is intended to

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

6 (2) The appropriation in section 110 for licensed tracks - light
7 horse racing shall be allocated as follows:

8 Arabian and Appaloosa horse racing.....	\$	19,200
9 Quarter horse racing.....	\$	57,500

10 Sec. 803. Included in the appropriation made in section 110 for the
11 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred
12 breeders and owners association to conduct a thoroughbred yearling show.
13 The Michigan united thoroughbred breeders and owners association shall
14 submit to the department an itemized list of expenses showing that the
15 expenses of the yearling show were paid.

16 Sec. 804. From the funds appropriated in section 110 for thorough-
17 bred owners' awards, the department shall develop a program to provide
18 for thoroughbred owners' awards that will be given to owners of
19 Michigan-bred horses finishing first in nonrestricted races at licensed
20 pari-mutuel tracks in Michigan.

21 Sec. 805. The \$78,200.00 appropriated in section 110 for draft
22 horse shows shall be allocated in equal amounts to the Can-Am draft horse
23 show held at the Michigan state fairgrounds and the Great Lakes draft
24 horse show held at Michigan State University.

25 Sec. 806. The department shall notify the senate and house appro-
26 priations subcommittees on agriculture and the senate and house fiscal
27 agencies of any planned reductions in appropriations, allocations, or

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1 expenditures from the agriculture equine industry development fund no
2 less than 10 days before such reductions are implemented.

3 Sec. 807. A county fair, district fair, 4-H fair, or state fair
4 receiving funds in section 110 to be used for prizes or awards, in whole
5 or in part, as a condition precedent to the receiving of the funds for
6 those purposes, shall publish the rules relative to the prizes, awards,
7 and deadlines for entries eligible for the funds in their official pre-
8 mium books or lists relative to the prizes or awards. An aggrieved
9 exhibitor may make a written complaint to the fair within 10 days after
10 the fair ends. If the fair has not satisfactorily settled the grievance
11 within 45 days after it is submitted to the fair, the aggrieved person
12 may file the complaint with the department and the department shall
13 investigate the complaint and make a finding of fact regarding the com-
14 plaint and take appropriate action regarding the complaint.

15 Sec. 808. Of the amount appropriated in section 110 for purses and
16 supplements - fairs/licensed tracks, a sufficient amount is appropriated
17 to provide for overnight purse supplements pursuant to the horse racing
18 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

19 Sec. 809. Of the amount appropriated in section 110 for premiums,
20 \$11,400.00 shall be expended as a grant for the Michigan horse show asso-
21 ciation - fall youth show at the Michigan exposition and fairgrounds.

22 Sec. 810. From the appropriations for premiums - county and state
23 fairs in section 110, \$120,000.00 shall be awarded through a competitive
24 grant program to local, regional, or state fairs or expositions to pro-
25 mote youth involvement and adult exhibitions in the animal agriculture
26 industry. Appropriate exhibition classes for youth shall be developed
27 that encourage a production exhibit for which premium awards may be

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1 paid. The age for youth exhibitors shall be determined by the standards
2 of the association requesting the grant or, if standards do not exist,
3 the age for youth exhibitors shall be ages 9 through 21. Implementation
4 of the latest technologies into the evaluation of the animals shall be
5 encouraged in the production exhibit. Adult exhibitions should focus on
6 the performance or end product, or both, with the appropriate technolo-
7 gies used to enhance placings and the awarding of premiums.

8 Sec. 811. The amount appropriated in section 110 for Michigan fes-
9 tivals shall be allocated to the Michigan festivals and events associa-
10 tion for the purpose of promoting commodity related festivals on a state-
11 wide basis. The allocation to the Michigan festivals and events associa-
12 tion is contingent upon the association providing at least a 100% cash or
13 in-kind match.

14 OFFICE OF RACING COMMISSIONER

15 Sec. 901. It is the intent of the legislature that the office of
16 racing commissioner work cooperatively with the Great Lakes Downs Race
17 Course in Muskegon to facilitate the operation of the track.

18 Sec. 902. The office of racing commissioner, in cooperation with
19 representatives of the horse racing industry, shall develop a long range
20 plan for assuring the viability of the horse racing industry in this
21 state. The plan shall include, but is not limited to, recommended stat-
22 ute changes that would be required to implement the plan and revenue
23 diversification options. The office of racing commissioner shall submit
24 the plan to the senate and house appropriations subcommittees on

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1 agriculture and the senate and house fiscal agencies by September 30,
2 2001.

3 Sec. 903. The racing commissioner may pay rewards of not more than
4 \$5,800.00 to a person who provides information that results in the arrest
5 and conviction on a felony or misdemeanor charge for a crime that
6 involves the horse racing industry. A reward paid pursuant to this sec-
7 tion shall be paid out of the office of racing commissioner line item.