

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 357**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2000; 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

3 Sec. 101. Subject to the conditions set forth in this act, the  
4 amounts listed in this part are appropriated for the department of agri-  
5 culture for the fiscal year ending September 30, 2000, from the funds  
6 indicated in this part. The following is a summary of the appropriations  
7 in this part:

**SB0357, As Passed House, 052599**Sub. S.B. 357 (H-1) as amended May 25, 1999  
2For Fiscal Year Ending  
September 30, 2000**1 DEPARTMENT OF AGRICULTURE****2 APPROPRIATION SUMMARY:**

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	[604.5]	
5	GROSS APPROPRIATION.....	\$	[92,152,300]
6	Interdepartmental grant revenues:		
7	IDG from MDCH, local public health operations.....		7,888,300
8	IDG from MDCIS (LCC), liquor quality testing fees....		155,300
9	IDG from MDCIS (LCC), nonretail liquor license fees..		443,300
10	IDG from MDEQ, sewer sludge fund.....		70,000
11	IDG from MDEQ, type II well survey.....		15,000
12	Total interdepartmental grants and intradepartmental		
13	transfers.....		8,571,900
14	ADJUSTED GROSS APPROPRIATION.....	\$	[83,580,400]
15	Federal revenues:		
16	DAG-AMS, cooperative agreement.....		1,154,300
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-OECA, pesticides enforcement program grants.....		974,000
23	EPA-OW, water pollution control, lake restoration		
24	cooperative agreements.....		236,300
25	EPA-RCRA.....		165,000
26	HHS-FDA.....		208,000

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1	Total federal revenues.....	5,249,900
2	Special revenue funds:	
3	Total local revenues.....	0
4	Private - oil company overcharge settlement.....	741,900
5	Private - slow-the-spread foundation.....	130,000
6	Total private revenues.....	871,900
7	Agriculture equine industry development fund.....	11,500,000
8	Civil penalties.....	60,000
9	Commodity inspection fees.....	991,500
10	Food handler licensing fees.....	[1,105,400]
11	Gasoline inspection and testing fund.....	1,969,000
12	Groundwater and freshwater protection fund.....	[4,543,200]
13	Industry support funds.....	270,000
14	Licensing and inspection fees.....	2,701,700
15	Michigan state fair revenue.....	6,439,700
16	Pseudorabies and swine brucellosis fund.....	87,100
17	Testing fees.....	167,100
18	Upper Peninsula state fair revenue.....	1,014,300
19	Weights and measures regulation fees.....	323,400
20	Total other state restricted revenues.....	[31,172,400]
21	State general fund/general purpose..... \$	[46,286,200]
22	<b>Sec. 102. EXECUTIVE</b>	
23	Full-time equated unclassified positions.....6.0	
24	Full-time equated classified positions.....9.0	
25	Commission and boards..... \$	63,300
26	Unclassified positions--6.0 FTE positions.....	477,200

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1	Executive direction--4.0 FTE positions.....	417,700
2	Statistical reporting service--5.0 FTE positions.....	450,400
3	Project GREEN.....	6,200,000
4	Environmental technology research grant.....	<u>1,400,000</u>
5	GROSS APPROPRIATION..... \$	9,008,600
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from MDCIS (LCC), nonretail liquor license fees..	8,800
9	Special revenue funds:	
10	Michigan state fair revenue.....	75,600
11	Upper Peninsula state fair revenue.....	9,000
12	State general fund/general purpose..... \$	8,915,200
13	<b>Sec. 103. ADMINISTRATIVE SERVICES</b>	
14	Full-time equated classified positions.....58.0	
15	Management services--58.0 FTE positions..... \$	4,535,200
16	Property management charges.....	1,023,300
17	Rent.....	<u>289,700</u>
18	GROSS APPROPRIATION..... \$	5,848,200
19	Appropriated from:	
20	Special revenue funds:	
21	Gasoline inspection and testing fund.....	51,000
22	Industry support funds.....	5,000
23	Licensing and inspection fees.....	62,100
24	State general fund/general purpose..... \$	5,730,100
25	<b>Sec. 104. FOOD AND DAIRY</b>	
26	Full-time equated classified positions.....[117.0]	

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1	Food safety and quality assurance--[117.0] FTE		
2	positions.....	\$	[9,275,800]
3	Local public health operations.....		<u>7,888,300</u>
4	GROSS APPROPRIATION.....	\$	[17,164,100]
5	Appropriated from:		
6	Interdepartmental grant revenues:		
7	IDG from MDCH, local public health operations.....		7,888,300
8	Federal revenues:		
9	DAG-AMS, cooperative agreement.....		22,500
10	HHS-FDA.....		183,600
11	Special revenue funds:		
12	Civil penalties.....		60,000
13	Food handler licensing fees.....		[1,105,400]
14	Licensing and inspection fees.....		553,200
15	State general fund/general purpose.....	\$	[7,351,100]
16	<b>Sec. 105. ANIMAL INDUSTRY</b>		
17	Full-time equated classified positions.....26.0		
18	Animal health and welfare--26.0 FTE positions.....	\$	<u>2,159,600</u>
19	GROSS APPROPRIATION.....	\$	2,159,600
20	Appropriated from:		
21	Federal revenues:		
22	HHS-FDA.....		9,000
23	Special revenue funds:		
24	Licensing and inspection fees.....		33,400
25	Pseudorabies and swine brucellosis fund.....		87,100
26	State general fund/general purpose.....	\$	2,030,100

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1	<b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>		
2	Full-time equated classified positions.....	131.3	
3	Pesticide and plant pest management--	131.3 FTE	
4	positions.....	\$	11,781,000
5	Disease and pest intervention fund.....		341,800
6	Michigan State University.....		<u>210,000</u>
7	GROSS APPROPRIATION.....	\$	12,332,800
8	Appropriated from:		
9	Federal revenues:		
10	DAG-AMS, cooperative agreement.....		35,300
11	DAG-APHIS, plant and animal disease and pest control.		34,600
12	DAG-FS, multiple grants.....		1,881,200
13	EPA-OECA, pesticides enforcement program grants.....		974,000
14	HHS-FDA.....		15,400
15	Special revenue funds:		
16	Private - slow-the-spread foundation.....		130,000
17	Commodity inspection fees.....		991,500
18	Licensing and inspection fees.....		2,053,000
19	State general fund/general purpose.....	\$	6,217,800
20	<b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>		
21	Full-time equated classified positions.....	41.0	
22	Environmental stewardship--	31.0 FTE positions.....	\$ 2,742,600
23	Groundwater and freshwater protection program--	10.0	
24	FTE positions.....		[4,793,200]
25	Energy conservation program.....		138,000
26	Forest stewardship program.....		100,000

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1	Local soil conservation districts.....	1,400,000
2	Migrant labor housing.....	<u>590,000</u>
3	GROSS APPROPRIATION.....	\$ [9,763,800]
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from MDEQ, sewer sludge fund.....	70,000
7	IDG from MDEQ, type II well survey.....	15,000
8	Federal revenues:	
9	DAG-FS, multiple grants.....	100,000
10	DAG-NRCS.....	250,000
11	EPA-OW, water pollution control, lake restoration	
12	cooperative agreements.....	236,300
13	EPA-RCRA.....	165,000
14	Special revenue funds:	
15	Private - oil company overcharge settlement.....	193,900
16	Groundwater and freshwater protection fund.....	[4,543,200]
17	Industry support funds.....	40,000
18	State general fund/general purpose.....	\$ 4,150,400
19	<b>Sec. 108. LABORATORY PROGRAM</b>	
20	Full-time equated classified positions.....	127.0
21	Laboratory analysis program--71.5 FTE positions.....	\$ 5,498,100
22	Pesticide data program--11.0 FTE positions.....	1,096,500
23	Consumer protection program--44.5 FTE positions.....	<u>3,304,000</u>
24	GROSS APPROPRIATION.....	\$ 9,898,600
25	Appropriated from:	
26	Interdepartmental grant revenues:	

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1	IDG from MDCIS (LCC), liquor quality testing fees....	155,300
2	Federal revenues:	
3	DAG-AMS, cooperative agreement.....	1,096,500
4	DAG-APHIS, plant and animal disease and pest control.	20,400
5	Special revenue funds:	
6	Private - oil company overcharge settlement.....	548,000
7	Agriculture equine industry development fund.....	500,000
8	Gasoline inspection and testing fund.....	1,918,000
9	Testing fees.....	167,100
10	Weights and measures regulation fees.....	323,400
11	State general fund/general purpose..... \$	5,169,900
12	<b>Sec. 109. MARKET DEVELOPMENT</b>	
13	Full-time equated classified positions.....20.5	
14	Marketing and emergency management--15.5 FTE	
15	positions..... \$	2,199,200
16	Agriculture development--5.0 FTE positions.....	1,007,900
17	Food bank.....	745,000
18	Grown in Michigan.....	100,000
19	Michigan festivals.....	50,000
20	Northwest Michigan horticultural research station....	41,800
21	Southwestern Michigan tourist council - taste of	
22	Michigan.....	60,400
23	Future farmers of America.....	60,000
24	4-H Foundation of Michigan.....	285,000
25	USApple anti-dumping effort.....	<u>20,000</u>
26	GROSS APPROPRIATION..... \$	4,569,300

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1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from MDCIS (LCC), nonretail liquor license fees..	434,500
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..... \$	3,683,700
10	<b>Sec. 110. FAIRS AND EXPOSITIONS</b>	
11	Full-time equated classified positions.....35.0	
12	Michigan state fair operations--22.0 FTE positions... \$	6,276,600
13	Upper Peninsula state fair--8.0 FTE positions.....	1,181,000
14	Fairs and racing--5.0 FTE positions.....	507,200
15	Building and track improvement - county and state	
16	fairs.....	753,100
17	Premiums - county and state fairs.....	1,611,200
18	Purses and supplements - fairs/licensed tracks.....	2,333,600
19	Standardbred Fedele Fauri futurity.....	77,400
20	Standardbred Michigan futurity.....	77,400
21	Quarterhorse programs.....	38,100
22	Licensed tracks-light horse racing.....	73,800
23	Standardbred breeders' awards.....	1,192,300
24	Standardbred purses and supplements-licensed tracks..	256,900
25	Sire stakes program.....	1,939,800
26	Standardbred training and stabling.....	42,100

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1	Thoroughbred program.....	1,740,400
2	Thoroughbred owners' awards.....	150,000
3	Draft horse shows.....	<u>78,200</u>
4	GROSS APPROPRIATION..... \$	18,329,100
5	Appropriated from:	
6	Special revenue funds:	
7	Agriculture equine industry development fund.....	7,921,800
8	Michigan state fair revenue.....	6,364,100
9	Upper Peninsula state fair revenue.....	1,005,300
10	State general fund/general purpose..... \$	3,037,900
11	<b>Sec. 111. OFFICE OF RACING COMMISSIONER</b>	
12	Full-time equated classified positions.....39.7	
13	Office of racing commissioner--39.7 FTE positions.... \$	<u>3,078,200</u>
14	GROSS APPROPRIATION..... \$	3,078,200
15	Appropriated from:	
16	Special revenue funds:	
17	Agriculture equine industry development fund.....	3,078,200
18	State general fund/general purpose..... \$	0

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21 PART 2

22 PROVISIONS CONCERNING APPROPRIATIONS

23 **GENERAL SECTIONS**

24 Sec. 201. (1) Pursuant to section 30 of article IX of the state  
25 constitution of 1963, total state spending from state sources for fiscal  
26 year 1999-2000 is estimated at [\$77,458,600.00] in this act and state  
27 spending from state sources paid to local units of government for fiscal

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1 year 1999-2000 is estimated at \$1,400,000.00. The itemized statement  
2 below identifies appropriations from which spending to units of local  
3 government will occur:

4 DEPARTMENT OF AGRICULTURE

5	Local soil conservation districts.....	\$	<u>1,400,000</u>
6	TOTAL.....	\$	1,400,000

7 (2) If it appears to the principal executive officer of a department  
8 or branch that state spending to local units of government will be less  
9 than the amount that was projected to be expended under subsection (1),  
10 the principal executive officer shall immediately give notice of the  
11 approximate shortfall to the state budget director, the house and senate  
12 appropriations committees, and the house and senate fiscal agencies.

13 Sec. 202. The appropriations made and the expenditures authorized  
14 under this act and the departments, agencies, commissions, boards,  
15 offices, and programs for which an appropriation is made under this act  
16 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to  
17 18.1594.

18 Sec. 203. (1) In addition to the funds appropriated in part 1,  
19 there is appropriated an amount not to exceed \$5,000,000.00 for federal  
20 contingency funds. These funds are not available for expenditure until  
21 they have been transferred to another line item in this act pursuant to  
22 section 393(2) of the management and budget act, 1984 PA 431, MCL  
23 18.1393.

24 (2) In addition to the funds appropriated in part 1, there is appro-  
25 priated an amount not to exceed \$6,000,000.00 for state restricted con-  
26 tingency funds. These funds are not available for expenditure until they  
27 have been transferred to another line item in this act pursuant to

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1 section 393(2) of the management and budget act, 1984 PA 431, MCL  
2 18.1393.

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

8 (4) In addition to the funds appropriated in part 1, there is appro-  
9 priated an amount not to exceed \$100,000.00 for private contingency  
10 funds. These funds are not available for expenditure until they have  
11 been transferred to another line item in this act pursuant to section  
12 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

13 Sec. 204. (1) Beginning October 1, a hiring freeze is imposed on  
14 the state classified civil service. State departments and agencies are  
15 prohibited from hiring any new full-time state classified civil service  
16 employees and prohibited from filling any vacant state classified civil  
17 service positions. This hiring freeze does not apply to internal trans-  
18 fers of classified employees from 1 position to another within a depart-  
19 ment or to positions that are funded with 80% or more federal or  
20 restricted funds.

21 (2) The state budget director shall grant exceptions to this hiring  
22 freeze when the state budget director believes that the hiring freeze  
23 will result in rendering a state department or agency unable to deliver  
24 basic services. The state budget director shall report by the fifteenth  
25 of each month to the chairpersons of the senate and house of representa-  
26 tives standing committees on appropriations the number of exceptions to

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1 the hiring freeze approved during the previous month and the reasons to  
2 justify the exception.

3 Sec. 205. The department of civil service shall bill departments  
4 and/or agencies at the end of the first fiscal quarter for the 1% charges  
5 authorized by section 5 of article XI of the state constitution of 1963.  
6 Payments shall be made for the total amount of the billing by the end of  
7 the second fiscal quarter.

8 Sec. 208. As used in this act:

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

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

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

14 (d) "DAG-ERS-ARED" means the United States department of  
15 agriculture - economic research service - agriculture and rural economy  
16 division.

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

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

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

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

23 (i) "EPA-OECA" means the United States environmental protection  
24 agency - office of enforcement and compliance assistance.

25 (j) "EPA-OW" means the United States environmental protection  
26 agency - office of water.

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1 (k) "EPA-RCRA" means the United States environmental protection  
2 agency - resource conservation and recovery act.

3 (l) "FTE" means full-time equated.

4 (m) "GREEN" means generating research and extension to meet  
5 environmental and economic needs.

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

8 (o) "IDG" means interdepartmental grant.

9 (p) "MDCH" means the Michigan department of community health.

10 (q) "MDCIS (LCC)" means the Michigan department of consumer and  
11 industry services - liquor control commission.

12 (r) "MDEQ" means the Michigan department of environmental quality.

13 Sec. 209. (1) The unexpended and unobligated balance of any state  
14 restricted fund or account remaining at the end of the fiscal year shall  
15 revert back to the state restricted fund or account from which appropri-  
16 ated and be available for appropriation for the next fiscal year.

17 Appropriations that revert to a state restricted fund or account pursuant  
18 to this section shall not revert to the general fund of this state.

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

23 (3) The revenues collected in the agriculture equine industry devel-  
24 opment fund in fiscal year 1998-99 shall not lapse but shall be carried  
25 forward to fund appropriations made pursuant to this act and subsequent  
26 acts.

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1       Sec. 210. (1) Of the funds appropriated in part 1, the department  
2 may provide for indemnity as provided for pursuant to the animal industry  
3 act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed  
4 \$10,000.00 per order from any line item for the fiscal year ending  
5 September 30, 2000. Before the department provides for an indemnifica-  
6 tion under this 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 house and senate appropriations subcommittees on agriculture and  
10 to the senate and house fiscal agencies.

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

21       Sec. 211. When the department applies to the department of manage-  
22 ment and budget with a request for a transfer of appropriations or for a  
23 supplemental appropriation, the department shall provide the senate and  
24 house fiscal agencies with the same information that the department pro-  
25 vides the department of management and budget relative to the request for  
26 transfer or supplemental.

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1       Sec. 212. Money appropriated in part 1 shall not be used for the  
2 purchase of foreign goods or services when competitively priced and of  
3 comparable quality American goods or services are available.

4       Sec. 213. (1) The director shall take all reasonable steps to  
5 ensure businesses in deprived and depressed communities compete for and  
6 perform contracts to provide services or supplies or both for the  
7 department.

8       (2) The director shall strongly encourage firms with which the  
9 department contracts to subcontract with certified businesses in  
10 depressed and deprived communities for services or supplies or both.

11       Sec. 215. Of the funds appropriated in part 1 that are other than  
12 line-item grants, the department shall not provide grants to local gov-  
13 ernment agencies, institutions of higher education, or nonprofit organi-  
14 zations unless the department provides notice of the grant to the house  
15 and senate appropriations subcommittees on agriculture at least 10 days  
16 before the grant is issued. The grants shall be used to support research  
17 or other related activities for the purpose of enhancing the agricultural  
18 industries in this state.

19       Sec. 216. The legislature will not fund nonfair or nonhorse racing  
20 grants or projects from revenues from simulcasting in fiscal year  
21 2000-2001.

22       Sec. 219. Sixty days before beginning any effort to privatize, the  
23 department shall submit a complete project plan to the appropriate house  
24 and senate appropriations subcommittees and the house and senate fiscal  
25 agencies. The plan shall include the criteria under which the privatiza-  
26 tion initiative will be evaluated. The evaluation shall be completed and



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1 submitted to the appropriate house and senate appropriations  
2 subcommittees and the house and senate fiscal agencies within 30 months.

3       Sec. 220. Within 10 working days after formal presentation of the  
4 executive budget, the state budget director shall report to the members  
5 of the senate and house appropriations committees, and the senate and  
6 house fiscal agencies, on the amounts and sources of all capped federal  
7 funds, special revenue funds as defined in the state of Michigan's com-  
8 prehensive annual financial report, and the healthy Michigan fund, and an  
9 accounting of the state departments or agencies in which the executive  
10 budget proposes to spend the funds.

11       Sec. 221. By December 1, 1999, the department shall provide the  
12 house and senate appropriations subcommittees on agriculture and the  
13 house and senate fiscal agencies a report that outlines programs funded  
14 under this act. The report shall provide explanation of the activities  
15 and personnel funded with each line item, consistent with the format of  
16 this act.

17       Sec. 222. The department shall receive and retain copies of all  
18 reports funded from part 1 appropriations.

19       Sec. 223. All reports required in this act may be made available to  
20 the public primarily through Internet access, unless a printed version is  
21 requested. The department shall provide electronic notification to all  
22 legislative offices for specific reports requested by the legislature.

23       Sec. 224. The department shall provide a report prepared by the  
24 department's internal auditor for the prior fiscal year. This report  
25 shall include a listing of each audit or investigation performed by the  
26 internal auditor pursuant to sections 486(4) and 487 of the management  
27 and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall

1 identify the proportion of time spent on each of the statutory  
2 responsibilities described in sections 485(4), 486(4), and 487 of the  
3 management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and  
4 18.1487, and the time spent on all other activities performed in the  
5 internal audit function. The first report is due March 1, 2000, and  
6 beginning on May 1, 2002, biennially thereafter. The reports shall be  
7 submitted to the governor, auditor general, the senate and house appro-  
8 priations committees, the senate and house fiscal agencies, and the  
9 director.

10       Sec. 226. (1) The department shall submit to the department of man-  
11 agement and budget, the house and senate appropriations committees, the  
12 house and senate fiscal agencies, and the house and senate standing com-  
13 mittees with jurisdiction over technology issues quarterly reports on the  
14 department's efforts to change the department's computer software and  
15 hardware as necessary to perform properly in the year 2000 and beyond.  
16 These reports shall identify actual progress in comparison to the  
17 department's approved work plan for these efforts.

18       (2) Beginning with the report on April 1, 2000, the department shall  
19 submit to the department of management and budget, the senate and house  
20 of representatives standing committees on appropriations, the senate and  
21 house fiscal agencies, and the senate and house standing committees  
22 having jurisdiction over technology issues quarterly reports identifying  
23 for the immediately preceding quarter any problems with information sys-  
24 tems, any occurrences of information system failure as a result of non-  
25 compliance with the year 2000 standards, and any previously unidentified  
26 area of impact. These reports shall identify all systems needing  
27 corrective action and the contractual obligations of all accountable

1 parties. These reports shall give the status of the progress made in  
2 repairing and testing applications, the status of all vendor-supplied  
3 solutions to problems, information on the activation of manual or con-  
4 tract processes used to correct problems, and an itemization of the addi-  
5 tional costs incurred.

6 (3) The department may present progress billings to the department  
7 of management and budget for the costs incurred in changing computer  
8 software and hardware as necessary to perform properly in the year 2000  
9 and beyond and for costs incurred as a result of initiating corrective  
10 actions. At the time progress billings are presented for reimbursement,  
11 the department shall identify the funding sources that should support the  
12 work performed, and the department of management and budget shall forward  
13 the appropriate funding.

14 **EXECUTIVE**

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

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

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1 (d) Michigan state fair council..... \$ 50.00 per day

2 (e) Grape and wine industry council..... \$ 50.00 per day

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

8 (a) Management services publications.

9 (b) Management services audit and licensing functions.

10 (c) Upper Peninsula state fair livestock sales.

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

13 (e) Pesticide and plant pest management bean inspection and grading  
14 services.

15 (f) Laboratory support testing for testing horses in draft horse  
16 pulling contests at county fairs when local jurisdictions request state  
17 assistance.

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

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

23 (i) Laboratory support test samples for other agencies and  
24 organizations.

25 (j) Fruit and vegetable inspection at shipping and termination  
26 points and processing plants.

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1       Sec. 303. Of the funds appropriated in section 102 for statistical  
2 reporting service, \$120,000.00 shall be used for ongoing rotational crop  
3 surveys of fruit, vegetables, and nursery stock, including Christmas  
4 trees and ornamental plants. The survey shall begin with fruit in the  
5 first year, vegetables in the second year, and nursery stock in the third  
6 year. The rotational cycle of the survey shall continue in the fourth  
7 and subsequent years. The survey shall include existing  
8 plantings/acreage, new plantings/acreage, production, and number of  
9 growers.

10       Sec. 304. (1) The appropriation in section 102 for an environmental  
11 technology research grant is allocated to the Michigan biotechnology  
12 institute, pending receipt of matching federal funds, for the development  
13 and implementation of innovative technologies to be used for environmen-  
14 tally safe products, biodegradable chemicals, environmental cleanup, and  
15 waste stream minimization projects in Michigan.

16       (2) Not later than February 15, 2000, the grantee under  
17 subsection (1) shall submit to the department and the house and senate  
18 appropriations subcommittees on agriculture a report for the immediately  
19 preceding calendar year regarding projects funded from state and federal  
20 sources. The report shall include, but is not limited to, a description  
21 of each project, the amount of state and federal funding of each project,  
22 and the major accomplishments of each project. The grantee under  
23 subsection (1) shall also submit a copy of its most recent single audit  
24 report, as required by chapter 75 of title 31 of the United States Code,  
25 31 U.S.C. 7501 to 7507.

26       Sec. 305. (1) From the appropriation in section 102 for project  
27 GREEN, \$6,200,000.00 is allocated for a grant to an institution of

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1 higher education for the purpose of research and/or extension programs  
2 designed to address critical regulatory, food safety, economic, and envi-  
3 ronmental problems faced by Michigan's plant-based agriculture, forestry,  
4 and processing industries.

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

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

13 (4) Not later than November 1, 2000, the grantee under  
14 subsection (1) shall submit to the house and senate appropriations sub-  
15 committees on agriculture and to the house and senate fiscal agencies a  
16 report for the immediately preceding fiscal year regarding project GREEN  
17 projects. The report shall include, but is not limited to, the dollar  
18 amount of each project and a review of each project's performance and  
19 accomplishments.

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

**22 ANIMAL INDUSTRY**

23 Sec. 401. From the funds appropriated in part 1, the department of  
24 agriculture shall reimburse the department of natural resources for those  
25 costs associated with monitoring and testing wildlife for bovine

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

### **6 PESTICIDE AND PLANT PEST MANAGEMENT**

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

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

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

### **19 ENVIRONMENTAL STEWARDSHIP**

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

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1       Sec. 602. The amount appropriated in section 107 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 dis-  
4 tricts to engage in programs that conserve soil resources and prevent and  
5 control soil erosion. All grants to local soil conservation districts  
6 shall be allocated according to a formula approved by the commission of  
7 agriculture.

8       Sec. 603. (1) The department may expend the amount appropriated in  
9 section 107 for migrant labor housing grants for construction of new  
10 migrant labor housing. Project grants shall not exceed \$2,000.00 per  
11 unit. An applicant is not eligible for more than a \$10,000.00 grant in  
12 any fiscal year. Units shall be equivalent in construction to units  
13 approved by the DAG-rural development agency for low interest construc-  
14 tion loans and shall be not less than 484 square feet in size and be  
15 self-contained with a minimum of 1 bedroom, a kitchen, a flush toilet, a  
16 lavatory, and bathing facilities.

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

19       Sec. 604. (1) From the amounts appropriated in section 107 for  
20 migrant labor housing, no less than \$100,000.00 shall be allocated to a  
21 private, nonprofit entity for the purpose of providing matching grants  
22 for the improvement or new construction of migrant labor housing. The  
23 terms or requirements imposed on a recipient of a grant awarded for  
24 migrant labor housing improvement or new construction by a private, non-  
25 profit entity shall be no less stringent than those imposed by the  
26 department on recipients of similar grants awarded by the department. An



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1 entity receiving funds under this section shall use no greater than 7% of  
2 the state allocation for the administration of this program.

3 (2) A private nonprofit entity that receives an allocation to admin-  
4 ister a migrant labor housing construction grant program shall give pri-  
5 ority to grant applicants who are on the department's waiting list of  
6 applicants for migrant labor housing construction grants. The applicants  
7 for migrant labor construction grants administered by a nonprofit entity  
8 who are on the department's waiting list shall be served in the order in  
9 which they reside on the department's waiting list.

10 Sec. 605. From the section 107 appropriation for local soil conser-  
11 vation districts, \$300,000.00 shall be allocated for district forestry  
12 programs to assist private forest land development. Allocations to dis-  
13 tricts will be made in accordance with a plan developed by the department  
14 of agriculture in cooperation with the forest management division of the  
15 department of natural resources.

16 Sec. 606. The department shall apply for all federal funds for  
17 which it is eligible that can be used to support the migrant labor hous-  
18 ing program.

19 **MARKET DEVELOPMENT**

20 Sec. 701. Within the appropriations in section 109 for market  
21 development, \$434,500.00 is for the grape and wine industry council, from  
22 which the department may provide grants for the purposes as described in  
23 section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL  
24 436.1303.

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

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

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

12       (a) Cooperative efforts by recognized, statewide, grower funded  
13 organizations.

14       (b) The number of consumers made aware of the benefits of Michigan  
15 grown commodities.

16       (c) The number of Michigan grown products encompassed in the  
17 proposal.

18       (d) The amount of the match.

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

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

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

23       (5) The Michigan commission of agriculture shall report to the house  
24 and senate appropriations subcommittees on agriculture and senate and  
25 house fiscal agencies 10 days prior to making a grant under this  
26 section.

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

3       Sec. 705. The amount appropriated in section 109 for Michigan fes-  
4 tivals shall be allocated to the Michigan festivals and events associa-  
5 tion for the purpose of promoting commodity related festivals on a state-  
6 wide basis. The allocation to the Michigan festivals and events associa-  
7 tion is contingent upon the association providing at least a 100% cash or  
8 in-kind match.

9       Sec. 706. Of the funds appropriated in section 109 for agriculture  
10 development, \$100,000.00 shall be used to coordinate state participation  
11 in the federal market access program and to leverage federal funds for  
12 the purpose of developing new and enhancing existing export markets for  
13 Michigan agricultural products.

**14 FAIRS AND EXPOSITIONS**

15       Sec. 802. The department shall submit a report each month for the  
16 fiscal year ending September 30, 2000 to the state budget director, the  
17 senate and house standing committees on appropriations, and the senate  
18 and house fiscal agencies that sets forth the simulcasting revenues gen-  
19 erated in the preceding month by each licensed track and the amount  
20 received from license fees.

21       Sec. 803. (1) The appropriation of \$256,900.00 in section 110 for  
22 standardbred purses and supplements - licensed tracks is intended to pro-  
23 vide state purse supplements for 4 races at state licensed pari-mutuel  
24 horse racing tracks. The purse supplements are to be used for races  
25 comprised only of Michigan-bred horses segregated into a 4-year-old colt

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1 trot division, a 4-year-old filly trot division, a 4-year-old colt pace  
2 division, and a 4-year-old filly pace division.

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

5 Arabian and Appaloosa horse racing.....	\$	18,500
6 Quarter horse racing.....	\$	55,300

7 Sec. 804. Included in the appropriation made in section 110 for the  
8 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred  
9 breeders and owners association to conduct a thoroughbred yearling show.  
10 The Michigan united thoroughbred breeders and owners association shall  
11 submit to the department an itemized list of expenses showing that the  
12 expenses of the yearling show were paid.

13 Sec. 805. From the funds appropriated in section 110 for thorough-  
14 bred owners' awards, the department shall develop a program to provide  
15 for thoroughbred owners' awards that will be given to owners of  
16 Michigan-bred horses finishing first in nonrestricted races at licensed  
17 pari-mutuel tracks in Michigan.

18 Sec. 806. The \$78,200.00 appropriated in section 110 for draft  
19 horse shows shall be allocated in equal amounts to the Can-Am draft horse  
20 show held at the Michigan state fairgrounds and the Great Lakes draft  
21 horse show held at Michigan State University.

22 Sec. 807. The department shall notify the senate and house appro-  
23 priations subcommittees on agriculture and the senate and house fiscal  
24 agencies of any planned reductions in appropriations, allocations, or  
25 expenditures from the agriculture equine industry development fund no  
26 less than 10 days before such reductions are implemented.

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1       Sec. 808. A county fair, district fair, 4-H fair, or state fair  
2 receiving funds in section 110 to be used for prizes or awards, in whole  
3 or in part, as a condition precedent to the receiving of the funds for  
4 those purposes, shall publish the rules relative to the prizes, awards,  
5 and deadlines for entries eligible for the funds in their official pre-  
6 mium books or lists relative to the prizes or awards. An aggrieved  
7 exhibitor may make a written complaint to the fair within 10 days after  
8 the fair ends. If the fair has not satisfactorily settled the grievance  
9 within 45 days after it is submitted to the fair, the aggrieved person  
10 may file the complaint with the department and the department shall  
11 investigate the complaint and make a finding of fact regarding the com-  
12 plaint and take appropriate action regarding the complaint.

13       Sec. 809. Of the amount appropriated in section 110 for purses and  
14 supplements - fairs/licensed tracks, a sufficient amount is appropriated  
15 to provide for overnight purse supplements pursuant to the horse racing  
16 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

17       Sec. 810. Of the amount appropriated in section 110 for premiums,  
18 \$11,400.00 shall be expended as a grant for the Michigan horse show asso-  
19 ciation - fall youth show at the Michigan exposition and fairgrounds.

20       Sec. 811. From the appropriations for premiums - county and state  
21 fairs in section 110, \$120,000.00 shall be awarded through a competitive  
22 grant program to local, regional, or state fairs or expositions to pro-  
23 mote youth involvement and adult exhibitions in the animal agriculture  
24 industry. Appropriate exhibition classes for youth shall be developed  
25 that encourage a production exhibit for which premium awards may be  
26 paid. The age for youth exhibitors shall be determined by the standards  
27 of the association requesting the grant or, if standards do not exist,

1 the age for youth exhibitors shall be ages 9 through 21. Implementation  
2 of the latest technologies into the evaluation of the animals shall be  
3 encouraged in the production exhibit. Adult exhibitions should focus on  
4 the performance or end product, or both, with the appropriate technolo-  
5 gies used to enhance placings and the awarding of premiums.

**6 OFFICE OF RACING COMMISSIONER**

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

10       Sec. 902. The office of racing commissioner, in cooperation with  
11 representatives of the horse racing industry, shall develop a long range  
12 plan for assuring the viability of the horse racing industry in this  
13 state. The plan shall include, but is not limited to, recommended stat-  
14 ute changes that would be required to implement the plan and revenue  
15 diversification options. The office of racing commissioner shall submit  
16 the plan to the senate and house appropriations subcommittees on agricul-  
17 ture and the senate and house fiscal agencies by September 30, 2000.

18       Sec. 903. The racing commissioner may pay rewards of not more than  
19 \$5,800.00 to a person who provides information that results in the arrest  
20 and conviction on a felony or misdemeanor charge for a crime that  
21 involves the horse racing industry. A reward paid pursuant to this sec-  
22 tion shall be paid out of the office of racing commissioner line item.