

Act No. 270
Public Acts of 2000
Approved by the Governor*
July 6, 2000
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*Item Vetoes

Sec. 102. EXECUTIVE

Environmental technology research grant..... \$100,000 (Page 2)

Sec. 109. MARKET DEVELOPMENT

Michigan integrated food and farming systems \$ 50,000 (Page 4)

Sec. 110. FAIRS AND EXPOSITIONS

Michigan festivals \$ 80,000 (Page 4)

Sec. 304.

Entire Section. (Page 8)

Sec. 606.

Entire Section. (Page 10)

Sec. 706.

Entire Section. (Page 10)

Sec. 811.

Entire Section. (Page 11)

Sec. 814.

Entire Section. (Page 12)

**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 2000**

**Introduced by Reps. Pumford, Jelinek, Pappageorge, Mortimer, Byl, Mead, Geiger, Kukuk, Jellema,
Caul, LaSata, Scranton, Cameron Brown, Stamas, Godchaux and Jansen**

ENROLLED HOUSE BILL No. 5273

AN ACT 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:

PART 1

LINE-ITEM APPROPRIATIONS

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:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0		
Full-time equated classified positions	653.5		
GROSS APPROPRIATION.....		\$	98,321,500
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			9,680,800
ADJUSTED GROSS APPROPRIATION.....		\$	88,640,700
Federal revenues:			
Total federal revenues			6,037,000
Special revenue funds:			
Total local revenues			0
Total private revenues.....			1,121,900
Total other state restricted revenues			34,122,000
State general fund/general purpose		\$	47,359,800

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	67.0	
Commission and boards		\$ 63,300
Unclassified positions—6.0 FTE positions		477,200
Executive direction—4.0 FTE positions		440,500
Management services—58.0 FTE positions.....		5,260,900
Statistical reporting service—5.0 FTE positions.....		461,300
Environmental technology research grant		100,000
GROSS APPROPRIATION.....		\$ <u>6,803,200</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCIS (LCC), nonretail liquor license fees		8,800
Special revenue funds:		
Gasoline inspection and testing fund		47,800
Industry support funds.....		5,000
Licensing and inspection fees.....		62,100
Michigan state fair revenue		77,600
Upper Peninsula state fair revenue		9,000
State general fund/general purpose		\$ 6,592,900

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges.....		\$ 1,132,700
GROSS APPROPRIATION.....		\$ <u>1,132,700</u>
Appropriated from:		
Special revenue funds:		
Gasoline inspection and testing fund		3,200
State general fund/general purpose		\$ 1,129,500

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions	122.0	
Food safety and quality assurance—122.0 FTE positions		\$ 10,420,800
Local public health operations.....		8,977,500
GROSS APPROPRIATION.....		\$ <u>19,398,300</u>
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations		8,977,500
Federal revenues:		
DAG-AMS, cooperative agreement.....		22,500
HHS-FDA		183,600
Special revenue funds:		
Civil penalties.....		60,000
Food handler licensing fees		1,105,400
Licensing and inspection fees.....		1,336,400
State general fund/general purpose		\$ 7,712,900

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions	55.0	
Animal health and welfare—26.0 FTE positions		\$ 2,253,200
Bovine tuberculosis program—29.0 FTE positions.....		3,488,900
GROSS APPROPRIATION.....		\$ <u>5,742,100</u>
Appropriated from:		
Federal revenues:		
HHS-FDA		9,000
Special revenue funds:		
Licensing and inspection fees.....		34,500
Pseudorabies and swine brucellosis fund		87,100
State general fund/general purpose		\$ 5,611,500

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions	133.3	
Pesticide and plant pest management—133.3 FTE positions		\$ 12,853,900
Disease and pest intervention fund		201,800
Michigan State University		210,000
Orchard or vineyard removal		40,000
GROSS APPROPRIATION		\$ 13,305,700
Appropriated from:		
Federal revenues:		
DAG-AMS, cooperative agreement		36,400
DAG-APHIS, plant and animal disease and pest control		34,600
DAG-FS, multiple grants		1,881,200
EPA-OECA, pesticides enforcement program grants		1,510,000
HHS-FDA		15,400
Special revenue funds:		
Private - slow-the-spread foundation		130,000
Commodity inspection fees		991,500
Licensing and inspection fees		2,053,000
State general fund/general purpose		\$ 6,653,600

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions	48.0	
Environmental stewardship—38.0 FTE positions		\$ 3,513,500
Groundwater and freshwater protection program—10.0 FTE positions		5,077,800
Energy conservation program		138,000
Forest stewardship program		100,000
Local conservation districts		2,800,000
Migrant labor housing		950,000
GROSS APPROPRIATION		\$ 12,579,300
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDEQ, sewer sludge		70,000
IDG from MDEQ, type II well survey		15,000
Federal revenues:		
DAG-FS, multiple grants		100,000
DAG-NRCS		250,000
EPA, multiple grants		250,000
EPA-OW, water pollution control, lake restoration cooperative agreements		236,300
EPA-RCRA		165,000
Special revenue funds:		
Private - oil company overcharge settlement		193,900
Groundwater and freshwater protection fund		4,577,800
Industry support funds		40,000
State general fund/general purpose		\$ 6,681,300

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions	132.0	
Laboratory analysis program—73.5 FTE positions		\$ 5,831,700
Pesticide data program—14.0 FTE positions		1,096,500
Consumer protection program—44.5 FTE positions		3,240,800
GROSS APPROPRIATION		\$ 10,169,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCIS (LCC), liquor quality testing fees		161,100
Federal revenues:		
DAG-AMS, cooperative agreement		1,096,500
DAG-APHIS, plant and animal disease and pest control		20,400

Special revenue funds:	
Private - oil company overcharge settlement	\$ 798,000
Agriculture equine industry development fund	500,000
Gasoline inspection and testing fund	1,472,100
Testing fees	167,100
Weights and measures regulation fees	323,400
State general fund/general purpose	\$ 5,630,400

Sec. 109. MARKET DEVELOPMENT

Full-time equated classified positions	21.5	
Marketing and emergency management—15.5 FTE positions		\$ 2,244,000
Agriculture development—6.0 FTE positions		1,145,100
Food bank		1,024,200
Grown in Michigan		100,000
Northwest Michigan horticultural research station		41,800
Southwestern Michigan tourist council - taste of Michigan		60,400
Future farmers of America		60,000
Michigan integrated food and farming systems		50,000
GROSS APPROPRIATION		\$ 4,725,500

Appropriated from:

Interdepartmental grant revenues:	
IDG from MDCIS (LCC), nonretail liquor license fees	448,400
Federal revenues:	
DAG-ERS-ARED	126,100
DAG, federal/state marketing improvement program	100,000
Special revenue funds:	
Industry support funds	225,000
State general fund/general purpose	\$ 3,826,000

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions	35.0	
Michigan state fair operations—22.0 FTE positions		\$ 6,994,300
Upper Peninsula state fair—8.0 FTE positions		1,375,700
Fairs and racing—5.0 FTE positions		604,300
Building and track improvement - county and state fairs		966,300
Premiums - county and state fairs		1,707,900
Purses and supplements - fairs/licensed tracks		2,438,200
Standardbred Fedele Fauri futurity		80,800
Standardbred Michigan futurity		80,800
Quarterhorse programs		39,600
Licensed tracks - light horse racing		76,700
Standardbred breeders' awards		1,234,400
Standardbred purses and supplements - licensed tracks		276,500
Standard sire stakes		1,034,200
Thoroughbred sire stakes		1,034,200
Standardbred training and stabling		43,700
Thoroughbred program		1,809,800
Thoroughbred owners' awards		155,700
Distribution of outstanding winning tickets		500,000
Michigan festivals		80,000
Draft horse shows		78,200
GROSS APPROPRIATION		\$ 20,611,300

Appropriated from:

Special revenue funds:	
Agriculture equine industry development fund	8,804,500
Michigan state fair revenue	7,085,100
Upper Peninsula state fair revenue	1,200,000
State general fund/general purpose	\$ 3,521,700

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions.....	39.7		
Office of racing commissioner—39.7 FTE positions.....		\$	3,854,400
GROSS APPROPRIATION.....		\$	<u>3,854,400</u>
Appropriated from:			
Special revenue funds:			
Agriculture equine industry development fund.....			3,854,400
State general fund/general purpose		\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2000-2001 is \$81,481,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2000-2001 is \$4,600,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program		\$	1,700,000
Local conservation districts.....			2,800,000
Environmental stewardship.....			<u>100,000</u>
TOTAL		\$	4,600,000

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG-AMS" means the United States department of agriculture - agriculture marketing service.
- (c) "DAG-APHIS" means the United States department of agriculture - animal plant health inspection service.
- (d) "DAG-ERS-ARED" means the United States department of agriculture - economic research service - agriculture and rural economy division.
- (e) "DAG-FS" means the United States department of agriculture - forest service.
- (f) "DAG-NRCS" means the United States department of agriculture - natural resources conservation service.
- (g) "Department" means the department of agriculture.
- (h) "Director" means the director of the department.
- (i) "EPA" means the United States environmental protection agency.
- (j) "EPA-OECA" means the United States environmental protection agency - office of enforcement and compliance assistance.
- (k) "EPA-OW" means the United States environmental protection agency - office of water.
- (l) "EPA-RCRA" means the United States environmental protection agency - resource conservation and recovery act.
- (m) "FTE" means full-time equated.
- (n) "GREEN" means generating research and extension to meet environmental and economic needs.
- (o) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (p) "IDG" means interdepartmental grant.
- (q) "MDCH" means the Michigan department of community health.
- (r) "MDCIS (LCC)" means the Michigan department of consumer and industry services - liquor control commission.
- (s) "MDEQ" means the Michigan department of environmental quality.

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

Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

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

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

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

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

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

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house of representatives appropriations subcommittees and the senate and house fiscal agencies within 30 months.

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

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

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

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

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

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

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed \$10,000.00 per order from any line item for the fiscal year ending September 30, 2001. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies.

(2) The department of agriculture shall make an indemnification payment for the fair market value of livestock that is killed by a wolf or a coyote, if the kill is verified by the department of natural resources. The fair market value of the livestock shall be determined pursuant to the indemnification procedures prescribed in the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.747. In addition to the funds appropriated in part 1, the department of agriculture is authorized to expend the funds received from the department of natural resources to reimburse the department of agriculture for all indemnification payments made pursuant to this subsection.

Sec. 213. When the department applies to the department of management and budget with a request for a transfer of appropriations or for a supplemental appropriation, the department shall provide the senate and house fiscal agencies with the same information that the department provides the department of management and budget relative to the request for transfer or supplemental.

Sec. 214. Of the funds appropriated in part 1 that are other than line-item grants, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the house and senate appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

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

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

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

Sec. 218. The department shall provide a report prepared by the department's internal auditor on the activities of the internal auditor for the prior fiscal year. This report shall include a listing of each audit or investigation performed by the internal auditor pursuant to sections 486(4) and 487 of the management and budget act, 1984 PA 431, MCL 18.1486 and 18.1487. The report shall identify the proportion of time spent on each of the statutory responsibilities listed in sections 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431, MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other activities performed in the internal audit function. The first report shall be due March 1, 2000, and biennially thereafter beginning on May 1 and shall be submitted to the governor, auditor general, the senate and house appropriations committees, the senate and house fiscal agencies, and the director.

Sec. 219. The unexpended and unencumbered balance of revenue deposited pursuant to section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320, for the fiscal year ending September 30, 2001 shall be appropriated to the Michigan agriculture equine industry development fund for distribution as set forth in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

EXECUTIVE

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

- (a) Commission of agriculture \$ 75.00 per day
- (b) Upper Peninsula state fair board \$ 50.00 per day

- (c) Agricultural marketing and bargaining board \$ 35.00 per day
- (d) Michigan state fair council..... \$ 50.00 per day
- (e) Grape and wine industry council \$ 50.00 per day

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

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

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

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

(2) Not later than February 15, 2001, the grantee under subsection (1) shall submit to the department and the house and senate appropriations subcommittees on agriculture a report for the immediately preceding calendar year regarding projects funded from state and federal sources. The report shall include, but is not limited to, a description of each project, the amount of state and federal funding of each project, and the major accomplishments of each project. The grantee under subsection (1) shall also submit a copy of its most recent single audit report, as required by chapter 75 of title 31 of the United States Code, 31 U.S.C. 7501 to 7507.

FOOD AND DAIRY

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

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

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

ANIMAL INDUSTRY

Sec. 450. From the funds appropriated in part 1 for the bovine tuberculosis program, the department of agriculture shall reimburse the department of natural resources for those costs associated with monitoring and testing wildlife for bovine tuberculosis that are necessary to support the department of agriculture goals and are jointly agreed to by the department of agriculture and the department of natural resources to be in excess of efforts necessary to effectively plan and execute the eradication of bovine tuberculosis from Michigan's wild free-ranging deer herd.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. Of the funds appropriated in section 106 to the pesticide and plant pest management division, up to \$100,000.00 may be made available to the Michigan cooperative extension service for the purpose of training of applicators. Reimbursement shall be based on actual expenditures and revenue availability.

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

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

Sec. 504. The appropriation in section 106 for orchard or vineyard removal shall be used by the department to assist growers with the removal of abandoned orchards or vineyards in order to mitigate plant pest infestation.

ENVIRONMENTAL STEWARDSHIP

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

Sec. 602. (1) The department may expend the amount appropriated in section 107 for migrant labor housing grants for construction of new migrant labor housing. Project grants shall not exceed \$4,000.00 per unit. An applicant is not eligible for more than a \$16,000.00 grant in any fiscal year. Units shall be equivalent in construction to units approved by the DAG-rural development agency for low interest construction loans and shall be not less than 484 square feet in size and be self-contained with a minimum of 1 bedroom, a kitchen, a flush toilet, a lavatory, and bathing facilities.

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

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

(2) A private nonprofit entity that receives an allocation to administer a migrant labor housing construction grant program shall give priority to grant applicants who are on the department's waiting list of applicants for migrant labor housing construction grants. The applicants for migrant labor construction grants administered by a nonprofit entity who are on the department's waiting list shall be served in the order in which they reside on the department's waiting list.

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

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

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

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

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

(d) Of the remaining appropriation after distributions under subdivisions (a) through (c), additional grants, not to exceed \$20,000.00 per local conservation district, may be provided based on a formula approved by the commission of agriculture. Grants under this subdivision shall require at least a 100% cash or in-kind local match. Criteria used to distribute grants under this subdivision shall include, but are not limited to, the natural resources need, the size, and the population of the area served by each local conservation district.

Sec. 606. From the funds appropriated in section 107 for environmental stewardship, \$100,000.00 shall be provided to Ottawa County to fund a constructed wetlands demonstration project for the treatment of wastewater generated on swine farms.

MARKET DEVELOPMENT

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

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

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

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

- (a) Cooperative efforts by recognized, statewide, grower funded organizations.
- (b) The number of consumers made aware of the benefits of Michigan grown commodities.
- (c) The number of Michigan grown products encompassed in the proposal.
- (d) The amount of the match.
- (3) A grant made under this section shall not be less than \$5,000.00 or more than \$25,000.00.

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

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

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

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

Sec. 706. The amount appropriated in section 109 for Michigan integrated food and farming systems shall be allocated to the Michigan integrated food and farming systems to foster and sustain food and agriculture systems that improve economic, ecological, and social well-being. This allocation is contingent upon at least a 100% cash or in-kind match.

FAIRS AND EXPOSITIONS

Sec. 801. The department shall submit a report each month for the fiscal year ending September 30, 2001 to the state budget director, the senate and house standing committees on appropriations, and the senate and house fiscal agencies

that sets forth the simulcasting revenues generated in the preceding month by each licensed track and the amount received from license fees.

Sec. 802. (1) The appropriation of \$276,500.00 in section 110 for standardbred purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

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

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

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

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

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

Sec. 806. The department shall notify the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies of any planned reductions in appropriations, allocations, or expenditures from the agriculture equine industry development fund no less than 10 days before such reductions are implemented.

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

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

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

Sec. 810. From the appropriations for premiums - county and state fairs in section 110, \$120,000.00 shall be awarded through a competitive grant program to local, regional, or state fairs or expositions to promote youth involvement and adult exhibitions in the animal agriculture industry. Appropriate exhibition classes for youth shall be developed that encourage a production exhibit for which premium awards may be paid. The age for youth exhibitors shall be determined by the standards of the association requesting the grant or, if standards do not exist, the age for youth exhibitors shall be ages 9 through 21. Implementation of the latest technologies into the evaluation of the animals shall be encouraged in the production exhibit. Adult exhibitions should focus on the performance or end product, or both, with the appropriate technologies used to enhance placings and the awarding of premiums.

Sec. 811. (1) Of the amount appropriated in section 110 for Michigan festivals, \$70,000.00 shall be allocated to the Michigan festivals and events association for the purpose of promoting commodity related festivals on a statewide basis. The allocation to the Michigan festivals and events association is contingent upon the association providing at least a 100% cash or in-kind match.

(2) Of the amount appropriated in section 110 for Michigan festivals, \$10,000.00 shall be allocated as a matching grant to support an equine education and demonstration program.

Sec. 812. The funds appropriated in section 110 for distribution of outstanding winning tickets are not available for expenditure until they are deposited in the agriculture equine industry development fund pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be expended in accordance with section 2 of 1951 PA 90, MCL 431.252, and only after they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 813. An individual or other entity that leases land, a building, or other property under the Michigan exposition and fairgrounds act, 1978 PA 361, MCL 285.161 to 285.176, is not eligible for a state grant, loan, appropriation, or other state subsidy related to the leased land, building, or other property.

Sec. 814. Of the funds appropriated in section 110, a grant shall be provided to the Michigan thoroughbred owners and breeders association to support Michigan thoroughbred promotions and marketing, industry data management, award management, and administrative management. Funding for the grant shall be provided from the amounts and line items indicated:

- (a) \$37,500.00 from the thoroughbred sire stakes line item.
- (b) \$37,500.00 from the thoroughbred owners' awards line item.

OFFICE OF RACING COMMISSIONER

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

Sec. 902. The office of racing commissioner, in cooperation with representatives of the horse racing industry, shall develop a long-range plan for assuring the viability of the horse racing industry in this state. The plan shall include, but is not limited to, recommended statute changes that would be required to implement the plan and revenue diversification options. The office of racing commissioner shall submit the plan to the senate and house appropriations subcommittees on agriculture and the senate and house fiscal agencies by September 30, 2001.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved

Governor.