

SUBSTITUTE FOR  
HOUSE BILL NO. 5642

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2003; 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, 2003, from the funds  
6 indicated in this part. The following is a summary of the appropriations  
7 in this part:

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

2

For Fiscal Year Ending  
September 30, 2003

1	<b>DEPARTMENT OF AGRICULTURE</b>		
2	APPROPRIATION SUMMARY:		
3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	629.5	
5	GROSS APPROPRIATION.....	\$	98,570,900
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers.....		10,953,800
9	ADJUSTED GROSS APPROPRIATION.....	\$	87,617,100
10	Total federal revenues.....		6,639,500
11	Total local revenues.....		0
12	Total private revenues.....		1,127,600
13	Total other state restricted revenues.....		37,932,400
14	State general fund/general purpose.....	\$	41,917,600
15	<b>Sec. 102. EXECUTIVE</b>		
16	Full-time equated unclassified positions.....	6.0	
17	Full-time equated classified positions.....	57.0	
18	Commission and boards.....	\$	63,300
19	Unclassified positions--6.0 FTE positions.....		488,200
20	Executive direction--4.0 FTE positions.....		525,700
21	Management services--48.0 FTE positions.....		3,697,200
22	Statistical reporting service--5.0 FTE positions.....		435,100
23	Michigan state university cooperative extension.....		1,000
24	Michigan state university agricultural experiment		
25	station.....		1,000
26	Animal health diagnostic lab.....		<u>1,000</u>

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

3

For Fiscal Year Ending  
September 30, 2003

1	GROSS APPROPRIATION.....	\$	5,212,500
2	Appropriated from: .....		
3	Interdepartmental grant revenues: .....		
4	IDG from MDCIS (LCC), nonretail liquor license fees..		8,800
5	Federal revenues:		
6	Special revenue funds:		
7	Gasoline inspection and testing fund.....		47,800
8	Licensing and inspection fees.....		62,100
9	Michigan state fair revenue.....		80,500
10	State services fee fund.....		160,500
11	Upper Peninsula state fair revenue.....		9,000
12	State general fund/general purpose.....	\$	4,843,800
13	<b>Sec. 103. DEPARTMENTWIDE</b>		
14	Rent and building occupancy charges.....	\$	<u>1,856,200</u>
15	GROSS APPROPRIATION.....	\$	1,856,200
16	Appropriated from:		
17	Special revenue funds:		
18	State services fee fund.....		304,600
19	State general fund/general purpose.....	\$	1,551,600
20	<b>Sec. 104. FOOD AND DAIRY</b>		
21	Full-time equated classified positions.....116.0		
22	Food safety and quality assurance--116.0 FTE		
23	positions.....	\$	10,242,700
24	Local public health operations.....		<u>8,977,500</u>
25	GROSS APPROPRIATION.....	\$	19,220,200
26	Appropriated from:		

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

4

For Fiscal Year Ending  
September 30, 2003

1	Interdepartmental grant revenues:		
2	IDG from MDCH, local public health operations.....		8,977,500
3	Federal revenues:		
4	HHS-FDA.....		186,700
5	DAG-Multiple grants.....		22,700
6	Special revenue funds:		
7	Civil penalties.....		40,300
8	Licensing and inspection fees.....		2,555,400
9	State general fund/general purpose..... \$		7,437,600
10	<b>Sec. 105. ANIMAL INDUSTRY</b>		
11	Full-time equated classified positions.....54.0		
12	Animal health and welfare--25.5 FTE positions..... \$		2,265,400
13	Bovine tuberculosis program--28.5 FTE positions.....		<u>4,485,600</u>
14	GROSS APPROPRIATION..... \$		6,751,000
15	Appropriated from:		
16	Federal revenues:		
17	HHS-FDA.....		9,000
18	Special revenue funds:		
19	Licensing and inspection fees.....		176,500
20	Pseudorabies and swine brucellosis fund.....		20,000
21	State general fund/general purpose..... \$		6,545,500
22	<b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>		
23	Full-time equated classified positions.....132.3		
24	Pesticide and plant pest management--132.3 FTE		
25	positions..... \$		12,924,100
26	Michigan State University.....		210,000

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

5

For Fiscal Year Ending  
September 30, 2003

1	Orchard or vineyard removal.....	<u>1,000</u>
2	GROSS APPROPRIATION..... \$	13,135,100
3	Appropriated from:	
4	Federal revenues:	
5	DAG, multiple grants.....	1,952,200
6	EPA, multiple grants.....	1,510,000
7	HHS-FDA.....	60,000
8	Special revenue funds:	
9	Private - slow-the-spread foundation.....	130,000
10	Commodity inspection fees.....	991,500
11	Licensing and inspection fees.....	2,413,000
12	State general fund/general purpose..... \$	6,078,400
13	<b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>	
14	Full-time equated classified positions.....55.0	
15	Environmental stewardship--38.0 FTE positions..... \$	3,281,000
16	Groundwater and freshwater protection program--10.0	
17	FTE positions.....	5,174,000
18	Farmland and open space preservation--7.0 FTE	
19	positions.....	699,800
20	Agriculture pollution prevention program.....	100
21	Cooperative resources management initiative program..	1,000,000
22	Energy conservation program.....	138,000
23	Local conservation districts.....	1,955,400
24	Migrant labor housing.....	<u>551,000</u>
25	GROSS APPROPRIATION..... \$	12,799,300
26	Appropriated from:	

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

6

For Fiscal Year Ending  
September 30, 2003

1	Interdepartmental grant revenues:	
2	IDG from MDEQ, biosolids.....	80,000
3	IDG from MDEQ, type II well survey.....	15,000
4	IDG from MDNR, district forestry and wildlife program	1,000,000
5	IDG from MDEQ, right to farm.....	105,000
6	Federal revenues:	
7	DAG-NRCS.....	250,000
8	EPA, multiple grants.....	400,000
9	Special revenue funds:	
10	Private - oil company overcharge settlement.....	193,900
11	Agricultural preservation fund.....	699,800
12	Agriculture pollution prevention fund.....	100
13	Groundwater and freshwater protection fund.....	4,674,000
14	Industry support funds.....	40,000
15	State general fund/general purpose..... \$	5,341,500
16	<b>Sec. 108. LABORATORY PROGRAM</b>	
17	Full-time equated classified positions.....135.0	
18	Laboratory analysis program--73.5 FTE positions..... \$	6,321,500
19	USDA monitoring--19.0 FTE positions.....	1,824,000
20	Consumer protection program--42.5 FTE positions.....	<u>3,232,500</u>
21	GROSS APPROPRIATION..... \$	11,378,000
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	IDG from MDCIS (LCC), liquor quality testing fees....	161,500
25	Federal revenues:	
26	EPA, multiple grants.....	300,000

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

7

For Fiscal Year Ending  
September 30, 2003

1	DAG, multiple grants.....	1,844,400
2	Special revenue funds:	
3	Private - oil company overcharge settlement.....	803,700
4	Agriculture equine industry development fund.....	509,100
5	Gasoline inspection and testing fund.....	1,491,800
6	Testing fees.....	232,500
7	Weights and measures regulation fees.....	323,400
8	State general fund/general purpose..... \$	5,711,600
9	<b>Sec. 109. MARKET DEVELOPMENT</b>	
10	Full-time equated classified positions.....21.5	
11	Marketing and emergency management--15.5 FTE	
12	positions..... \$	2,005,600
13	Agriculture development--6.0 FTE positions.....	942,400
14	Food bank.....	646,600
15	Grown in Michigan.....	1,000
16	Northwest Michigan horticultural research station....	1,000
17	Southwestern Michigan tourist council - taste of	
18	Michigan.....	60,400
19	Future farmers of America.....	<u>60,000</u>
20	GROSS APPROPRIATION..... \$	3,717,000
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG from MDCIS (LCC), nonretail liquor license fees..	603,000
24	Federal revenues:	
25	DAG, multiple grants.....	100,000
26	Special revenue funds:	

# HB5642, As Passed House, March 21, 2002

House Bill No. 5642

8

For Fiscal Year Ending  
September 30, 2003

1	Industry support funds.....	260,000
2	State general fund/general purpose..... \$	2,754,000
3	<b>Sec. 110. FAIRS AND EXPOSITIONS</b>	
4	Full-time equated classified positions.....22.0	
5	Michigan state fair operations--9.0 FTE positions.... \$	5,110,200
6	Upper Peninsula state fair--8.0 FTE positions.....	1,214,400
7	Fairs and racing--5.0 FTE positions.....	612,500
8	Building and track improvement - county and state	
9	fairs.....	963,200
10	Premiums-county and state fairs.....	1,614,000
11	Purses and supplements - fairs/licensed tracks.....	2,620,000
12	Standardbred Fedele Fauri futurity.....	86,800
13	Standardbred Michigan futurity.....	86,800
14	Quarterhorse programs.....	42,600
15	Licensed tracks-light horse racing.....	82,500
16	Standardbred breeders' awards.....	1,326,400
17	Standardbred purses and supplements-licensed tracks..	297,100
18	Standardbred sire stakes.....	1,111,300
19	Thoroughbred sire stakes.....	1,111,300
20	Standardbred training and stabling.....	46,900
21	Thoroughbred program.....	1,944,800
22	Thoroughbred owners' awards.....	167,300
23	Distribution of outstanding winning tickets.....	500,000
24	Michigan festivals.....	1,000
25	Horse shows.....	<u>13,300</u>
26	GROSS APPROPRIATION..... \$	18,952,400



# HB5642, As Passed House, March 21, 2002

House Bill No. 5642

9

For Fiscal Year Ending  
September 30, 2003

1	Appropriated from:		
2	Special revenue funds:		
3	Agriculture equine industry development fund.....		9,423,800
4	Michigan state fair revenue.....		5,203,100
5	State services fee fund.....		3,096,800
6	Upper Peninsula state fair revenue.....		1,214,400
7	State general fund/general purpose.....	\$	14,300
8	<b>Sec. 111. OFFICE OF RACING COMMISSIONER</b>		
9	Full-time equated classified positions.....	36.7	
10	Office of racing commissioner--36.7 FTE positions....	\$	<u>3,641,900</u>
11	GROSS APPROPRIATION.....	\$	3,641,900
12	Appropriated from:		
13	Special revenue funds:		
14	Agriculture equine industry development fund.....		2,341,900
15	State services fee fund.....		1,300,000
16	State general fund/general purpose.....	\$	0
17	<b>Sec. 112. INFORMATION AND TECHNOLOGY</b>		
18	Information technology services and projects.....	\$	<u>1,907,300</u>
19	GROSS APPROPRIATION.....	\$	1,907,300
20	Appropriated from:		
21	Interdepartmental grant revenues:		
22	IDG from MDCIS (LCC), nonretail liquor license fees..		500
23	IDG from MDCIS (LCC), liquor quality testing fees....		2,500
24	Federal revenues:		
25	DAG-multiple grants.....		4,500
26	Special revenue funds:		

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

10

For Fiscal Year Ending  
September 30, 2003

1	Groundwater and freshwater protection fund.....	100
2	Agriculture equine industry development fund.....	142,200
3	Agricultural preservation fund.....	200
4	State services fee fund.....	2,100
5	Upper Peninsula state fair revenue.....	900
6	Michigan state fair revenue.....	88,800
7	Gasoline inspection and testing fund.....	26,200
8	State general fund/general purpose..... \$	1,639,300

9

10

11

PART 2

12

PROVISIONS CONCERNING APPROPRIATIONS

13

**GENERAL SECTIONS**

14

15

16

17

18

19

20

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 2002-2003 is \$82,105,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$3,855,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

21

DEPARTMENT OF AGRICULTURE

22

23

24

Groundwater and freshwater protection program.....	\$	1,800,000
Local conservation districts.....		<u>1,955,400</u>
TOTAL.....	\$	3,855,400

25

26

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.

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

11

1       Sec. 203. As used in this act:

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

3       (b) "DAG-NRCS" means the United States department of agriculture -  
4 natural resources conservation service.

5       (c) "Department" means the department of agriculture.

6       (d) "Director" means the director of the department.

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

8       (f) "FTE" means full-time equated.

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

11       (h) "IDG" means interdepartmental grant.

12       (i) "MDCH" means the Michigan department of community health.

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

15       (k) "MDEQ" means the Michigan department of environmental quality.

16       (l) "MDNR" means the Michigan department of natural resources.

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

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

12

1       (2) The state budget director shall grant exceptions to this hiring  
2 freeze when the state budget director believes the hiring freeze will  
3 result in rendering a state department or agency unable to deliver basic  
4 services, cause a loss of revenue to the state, result in the inability  
5 of the state to receive federal funds, or would necessitate additional  
6 expenditures that exceed any savings from maintaining a vacancy. The  
7 state budget director shall report quarterly to the chairpersons of the  
8 senate and house of representatives standing committees on appropriations  
9 the number of exceptions to the hiring freeze approved during the previ-  
10 ous quarter and the reasons to justify the exception.

11       (3) The hiring freeze does not apply to the animal industry  
12 program.

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

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

25       (3) In addition to the funds appropriated in part 1, there is appro-  
26 priated an amount not to exceed \$100,000.00 for local contingency funds.  
27 These funds are not available for expenditure until they have been

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

13

1 transferred to another line item in this act under section 393(2) of the  
2 management and budget act, 1984 PA 431, MCL 18.1393.

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

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

16 Sec. 208. Unless otherwise specified, the department shall use the  
17 internet to fulfill the reporting requirements of this act. This may  
18 include transmission of reports via electronic mail to the recipients  
19 identified for each reporting requirement, or it may include placement of  
20 reports on an internet or intranet site. Quarterly, the department shall  
21 provide to the appropriations subcommittees members, the fiscal agencies,  
22 and the state budget office an electronic and paper copy listing of the  
23 reports submitted during the most recent 3-month period along with the  
24 internet or intranet site of each report, if any.

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

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

14

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 2001-2002 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 \$100,000.00 per order from any line item for the fiscal year ending

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

15

1 September 30, 2003. 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 and the state budget  
7 director.

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

18 (3) All indemnification payments for individual livestock or domes-  
19 tic animals within a herd, flock, or school shall be made pursuant to  
20 section 14 of the animal industry act, 1988 PA 466, MCL 287.714, based on  
21 100% of the fair market value of that type of livestock or domestic  
22 animal, not to exceed \$4,000.00.

23 (4) For those payments made from January 1, 1998, through October  
24 31, 2000, the department shall calculate the difference between what was  
25 paid for every herd, flock, or school and the rate paid subsequent to  
26 October 31, 2000.

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

16

1       (5) The department shall use bovine TB work project revenue to  
2     implement this section.

3       Sec. 213. When the department applies to the department of manage-  
4     ment and budget with a request for a transfer of appropriations or for a  
5     supplemental appropriation, the department shall provide the senate and  
6     house fiscal agencies with the same information that the department pro-  
7     vides the department of management and budget relative to the request for  
8     transfer or supplemental.

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

17       Sec. 215. The legislature will not fund nonfair or nonhorse racing  
18    grants or projects from revenues from simulcasting in fiscal year  
19    2002-2003.

20       Sec. 216. The unexpended and unencumbered balance of revenue depos-  
21    ited pursuant to section 20 of the horse racing law of 1995, 1995 PA 279,  
22    MCL 431.320, for the fiscal year ending September 30, 2003, shall be  
23    appropriated to the Michigan agriculture equine industry development fund  
24    for distribution as set forth in section 20 of the horse racing law of  
25    1995, 1995 PA 279, MCL 431.320.

26       Sec. 218. By December 1, 2002, the department shall provide the  
27    house and senate appropriations subcommittees on agriculture and the



## HB5642, As Passed House, March 21, 2002

Sub. HB 5642 (H-1) as amended March 21, 2002 17

1 house and senate fiscal agencies a report that outlines programs funded  
2 under this act. The report shall provide explanation of the activities  
3 and personnel funded with each line item, consistent with the format of  
4 this act.

5 Sec. 219. From the funds appropriated in part 1 for information  
6 technology, the department shall pay user fees to the department of  
7 information technology for technology related services and projects.  
8 Such user fees shall be subject to provisions of an interagency agreement  
9 between the department and the department of information technology.

10 Sec. 220. Amounts appropriated in part 1 for information technology  
11 may be designated as work projects and carried forward to support tech-  
12 nology projects under the direction of the department of information  
13 technology. Funds designated in this manner are not available for expen-  
14 diture until approved as work projects under section 451a of the manage-  
15 ment and budget act, 1984 PA 431, MCL 18.1451a.

[Sec. 221. All funded and vacant food inspection and animal inspection  
positions that are vacant as a result of the early retirement shall be  
classified as essential and shall be given priority for rehires.]

Sec. 222. The department shall not take disciplinary action against an  
employee that communicates with a member of the legislature or their staff.]

### 16 **EXECUTIVE**

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

24 (a) Commission of agriculture..... \$ 75.00 per day

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

18

1	(b) Upper Peninsula state fair board.....	50.00 per day
2	(c) Agricultural marketing and bargaining board.....	35.00 per day
3	(d) Michigan state fair council.....	50.00 per day
4	(e) Grape and wine industry council.....	50.00 per day

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

- 10       (a) Management services publications.
- 11       (b) Management services audit and licensing functions.
- 12       (c) Upper Peninsula state fair livestock sales.
- 13       (d) Pesticide and plant pest management propagation and certifica-  
14 tion of virus free foundation stock.
- 15       (e) Pesticide and plant pest management bean inspection and grading  
16 services.
- 17       (f) Laboratory support testing for testing horses in draft horse  
18 pulling contests at county fairs when local jurisdictions request state  
19 assistance.
- 20       (g) Laboratory support analyses to determine foreign substances in  
21 horses engaged in racing or pulling contests at tracks.
- 22       (h) Laboratory support analysis of food, livestock, and agricultural  
23 products for disease, foreign products for disease, toxic materials, for-  
24 eign substances, and quality standards.
- 25       (i) Laboratory support test samples for other agencies and  
26 organizations.

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

19

1 (j) Fruit and vegetable inspection at shipping and termination  
2 points and processing plants.

3 Sec. 303. Of the funds appropriated in part 1 for statistical  
4 reporting service, \$120,000.00 shall be used for surveys which include,  
5 but are not limited to, fruit, vegetables, and nursery stock, which  
6 encompasses Christmas trees and ornamental plants. The director of the  
7 Michigan department of agriculture is given authority to include other  
8 agricultural surveys such as turfgrass in the 3- to 5-year rotation. The  
9 survey shall include information such as existing plantings/acreage, new  
10 plantings/acreage, production, and number of growers.

11 **FOOD AND DAIRY**

12 Sec. 401. (1) The department shall monitor restaurant inspection  
13 and licensing functions carried out by local health departments to ensure  
14 uniform application and enforcement of minimum program requirements. On  
15 or before April 1, 2003, the department shall report to the senate and  
16 house appropriations subcommittees on agriculture, the senate and house  
17 fiscal agencies, and the state budget director on local health department  
18 conformance with minimum program requirements.

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

## **HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

20

1       Sec. 402. Not later than February 1, 2003, the department shall  
2 provide a report to the house and senate appropriations subcommittees on  
3 agriculture and the house and senate fiscal agencies describing signifi-  
4 cant food-borne outbreaks and emergencies including any enforcement  
5 actions taken related to food safety during the 2001-2002 fiscal year.

### **6   ANIMAL INDUSTRY**

7       Sec. 450. From the funds appropriated in section 105 for the bovine  
8 tuberculosis program, the department of agriculture shall reimburse the  
9 department of natural resources for those costs associated with monitor-  
10 ing and testing wildlife for bovine tuberculosis that are necessary to  
11 support the department of agriculture goals and are jointly agreed to by  
12 the department of agriculture and the department of natural resources to  
13 be in excess of efforts necessary to effectively plan and execute the  
14 eradication of bovine tuberculosis from Michigan's wild free-ranging deer  
15 herd.

16       Sec. 451. From the funds appropriated in section 101 for bovine  
17 tuberculosis, the department shall pay for all whole herd testing costs  
18 to achieve and maintain split-state status requirements. These costs  
19 include producer assistance, indemnity, and compensation for injury caus-  
20 ing death or downer to animals.

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

21

**1 PESTICIDE AND PLANT PEST MANAGEMENT**

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

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

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

14       Sec. 504. The appropriation in section 106 for orchard or vineyard  
15 removal shall be used by the department to assist growers with the  
16 removal of abandoned orchards or vineyards in order to mitigate disease  
17 and plant pest infestation. Funds shall only be expended by the depart-  
18 ment if the following criteria are met:

19       (a) Another landowner, orchard operator, or other impacted person  
20 has filed a complaint with the department.

21       (b) The orchard/vineyard has not been managed to effectively control  
22 identified pests.

23       (c) The unmanaged orchard/vineyard poses a risk to neighboring  
24 orchards based on distance criteria developed by Michigan State  
25 University extension.

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

22

1 (d) The department will work cooperatively with Michigan State  
2 University extension or a commodity group representative to assure that  
3 the removal is necessary and appropriate.

4 (e) A letter is sent by the department to the landowner indicating  
5 the problem and the need to properly manage the orchard/vineyard or  
6 remove it.

7 (f) The department will work cooperatively with the landowner and  
8 may place a lien for the cost of removal against the property.

### 9 ENVIRONMENTAL STEWARDSHIP

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

13 Sec. 602. The department may expend the amount appropriated for  
14 migrant labor housing grants for construction of new migrant labor  
15 housing. Beginning October 1, 2002, project grants shall not exceed  
16 \$5,000.00 per unit. Beginning October 1, 2002, an applicant is not eli-  
17 gible for more than a \$20,000.00 grant in any fiscal year.

18 Sec. 603. The department shall apply for all federal funds for  
19 which it is eligible that can be used to support the migrant labor hous-  
20 ing program.

21 Sec. 604. The appropriation in section 107 for local conservation  
22 districts shall be allocated in the following manner:

23 (a) Of the total appropriation, \$690,000.00 shall be allocated for  
24 district forestry and wildlife programs to assist private land  
25 management. Grants to districts will be made in accordance with a plan

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

23

1 developed by the department of agriculture in cooperation with the forest  
2 management division of the department of natural resources.

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

5 (c) Of the total appropriation, each local conservation district  
6 meeting the minimum grant requirements shall receive a grant of  
7 \$20,000.00 to support basic operations, unless the district resides in a  
8 county consisting of multiple districts, in which case a \$20,000.00 grant  
9 shall be divided equally among the districts in that county. The amount  
10 of money allocated under this subdivision shall not be used by local con-  
11 servation districts to replace any money received from local sources.

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

20 **MARKET DEVELOPMENT**

21 Sec. 701. Within the appropriations in part 1 for market develop-  
22 ment, \$603,000.00 is for the grape and wine industry council, from which  
23 the department may provide grants for the purposes as described in sec-  
24 tion 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL  
25 436.1303.

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

24

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 \$94,500.00 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 director on a competitive basis  
11 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 \$2,500.00  
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 department shall report to the house and senate appropria-  
24 tions subcommittees on agriculture and the house and senate fiscal agen-  
25 cies 10 days prior to making a grant under this section.

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



## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

25

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

6       Sec. 707. The department is authorized to receive and expend up to  
7   \$5,000,000.00 of utility company uncollectible allowance recovery fund  
8   resources which may be deposited into the agricultural development fund  
9   for the support of grants for value-added agricultural processing and  
10  agricultural production ventures in accordance with the Julian-Stille  
11  value-added act, 2000 PA 322, MCL 285.301 to 285.304. The agriculture  
12  development fund resources when certified as available by the department  
13  of treasury shall remain unallotted until such time as the state budget  
14  director has reviewed and approved a department submitted allotment  
15  schedule. Expenditures for support of agricultural processing and pro-  
16  duction ventures shall not exceed revenues received. Unexpended  
17  resources remaining in the fund at the end of the fiscal year shall  
18  remain in the fund and not lapse to the general fund.

### 19   **FAIRS AND EXPOSITIONS**

20       Sec. 802. (1) The appropriation of \$297,100.00 in part 1 for stan-  
21  dardbred purses and supplements - licensed tracks is intended to provide  
22  state purse supplements for 4 races at state licensed pari-mutuel horse  
23  racing tracks. The purse supplements are to be used for races comprised  
24  only of Michigan-bred horses segregated into a 4-year-old colt trot

**HB5642, As Passed House, March 21, 2002**

House Bill No. 5642

26

1 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 part 1 for licensed tracks - light horse  
4 racing shall be allocated as follows:

5 Arabian and Appaloosa horse racing.....	\$	20,600
6 Quarter horse racing.....		61,900

7 Sec. 803. Included in the appropriation made in part 1 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. 804. 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. 805. The department shall notify the senate and house appro-  
19 priations subcommittees on agriculture and the senate and house fiscal  
20 agencies of any planned reductions in appropriations, allocations, or  
21 expenditures from the agriculture equine industry development fund no  
22 less than 10 days before such reductions are implemented.

23 Sec. 806. A county fair, district fair, 4-H fair, or state fair  
24 receiving funds in section 110 to be used for prizes or awards, in whole  
25 or in part, as a condition precedent to the receiving of the funds for  
26 those purposes, shall publish the rules relative to the prizes, awards,  
27 and deadlines for entries eligible for the funds in their official

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

27

1 premium books or lists relative to the prizes or awards. An aggrieved  
2 exhibitor may make a written complaint to the fair within 10 days after  
3 the fair ends. If the fair has not satisfactorily settled the grievance  
4 within 45 days after it is submitted to the fair, the aggrieved person  
5 may file the complaint with the department and the department shall  
6 investigate the complaint and make a finding of fact regarding the com-  
7 plaint and take appropriate action regarding the complaint.

8       Sec. 807. Of the amount appropriated in section 110 for purses and  
9 supplements - fairs/licensed tracks, a sufficient amount is appropriated  
10 to provide for overnight purse supplements pursuant to the horse racing  
11 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

12       Sec. 809. From the appropriations for premiums - county and state  
13 fairs in section 110, \$120,000.00 shall be awarded through a competitive  
14 grant program to local, regional, or state fairs or expositions to pro-  
15 mote youth involvement and adult exhibitions in the animal agriculture  
16 industry. Appropriate exhibition classes for youth shall be developed  
17 that encourage a production exhibit for which premium awards may be  
18 paid. The age for youth exhibitors shall be determined by the standards  
19 of the association requesting the grant or, if standards do not exist,  
20 the age for youth exhibitors shall be ages 9 through 21. Implementation  
21 of the latest technologies into the evaluation of the animals shall be  
22 encouraged in the production exhibit. Adult exhibitions should focus on  
23 the performance or end product, or both, with the appropriate technolo-  
24 gies used to enhance placings and the awarding of premiums.

25       Sec. 810. The appropriation in section 110 for Michigan festivals  
26 shall be allocated to the Michigan festivals and events association to  
27 promote commodity-related festivals on a statewide basis. The allocation

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

28

1 to the Michigan festivals and events association is contingent upon the  
2 association providing at least a 100% cash or in-kind match.

3       Sec. 811. The funds appropriated in section 110 for distribution of  
4 outstanding winning tickets are not available for expenditure until they  
5 are deposited in the agriculture equine industry development fund pursu-  
6 ant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be  
7 expended in accordance with section 2 of 1951 PA 90, MCL 431.252, and  
8 only after they have been transferred to another line item in this act  
9 under section 393(2) of the management and budget act, 1984 PA 431, MCL  
10 18.1393.

11       Sec. 812. An individual or other entity that leases land, a build-  
12 ing, or other property under the Michigan exposition and fairgrounds act,  
13 1978 PA 361, MCL 285.161 to 285.176, is not eligible for a state grant,  
14 loan, appropriation, or other state subsidy related to the leased land,  
15 building, or other property.

16       Sec. 813. (1) On or before January 29, 2003, the department,  
17 together with the senate and house fiscal agencies and the department of  
18 management and budget, shall estimate the unreserved and unencumbered  
19 closing balance of the agriculture equine industry development fund for  
20 the fiscal year ending September 30, 2002. The estimate shall consider  
21 lapsed appropriations from the fund and any carryforward amounts desig-  
22 nated for appropriation in the fiscal year ending September 30, 2003.

23       (2) On or before February 5, 2003, the department shall request a  
24 legislative transfer in accordance with section 393 of the management and  
25 budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unre-  
26 served and unencumbered agriculture equine industry development fund  
27 balance in excess of \$250,000.00. The appropriations included in the

## HB5642, As Passed House, March 21, 2002

House Bill No. 5642

29

1 transfer request shall be in accordance with the requirements of section  
2 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320. At the  
3 same time the department forwards its transfer request to the department  
4 of management and budget, the department shall submit copies of the  
5 transfer request to the senate and house appropriations subcommittees on  
6 agriculture and the senate and house fiscal agencies.

7 Sec. 815. From the appropriation in section 110 for building and  
8 track improvement - county and state fairs, \$50,000.00 shall be awarded  
9 to licensed race meet operators for promotions, capital improvements, or  
10 operations at race meets which are conducted on facilities leased from  
11 county fairs. On or before December 31, 2002, the department shall  
12 report to the senate and house appropriations subcommittees on agricul-  
13 ture and the senate and house fiscal agencies on the distribution of  
14 these funds.

### 15 OFFICE OF RACING COMMISSIONER

16 Sec. 901. The racing commissioner may pay rewards of not more than  
17 \$5,800.00 to a person who provides information that results in the arrest  
18 and conviction on a felony or misdemeanor charge for a crime that  
19 involves the horse racing industry. A reward paid pursuant to this sec-  
20 tion shall be paid out of the office of racing commissioner line item.