

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 288

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2004; 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:

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PART 1

2

LINE-ITEM APPROPRIATIONS

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Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for the department of

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agriculture for the fiscal year ending September 30, 2004, from the

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funds indicated in this part. The following is a summary of the

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appropriations in this part:

1 **DEPARTMENT OF AGRICULTURE**

2 **APPROPRIATION SUMMARY:**

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	557.0	
5	GROSS APPROPRIATION.....		\$ 100,700,700
6	Interdepartmental grant revenues:		
7	IDG from MDCIS (LCC), nonretail liquor license fees.		508,800
8	IDG from MDCH, local public health operations.....		8,878,700
9	IDG from MDEQ, biosolids.....		80,000
10	IDG from MDEQ, type II well survey.....		15,000
11	IDG from MDNR, district forestry and wildlife		
12	program.....		1,000,000
13	IDG from MDEQ, right to farm.....		105,000
14	IDG from MDCIS (LCC), liquor quality testing fees...		171,100
15	Total interdepartmental grants and intradepartmental		
16	transfers.....		10,758,600
17	ADJUSTED GROSS APPROPRIATION.....		\$ 89,942,100
18	Federal revenues:		
19	HHS-FDA.....		106,700
20	DAG, multiple grants.....		10,116,100
21	EPA, multiple grants.....		3,828,900
22	Total federal revenues.....		14,051,700
23	Special revenue funds:		
24	Total local revenues.....		0
25	Private - slow-the-spread foundation.....		130,000
26	Private - oil company overcharge settlement.....		997,600
27	Total private revenues.....		1,127,600

1	Agricultural enhancement fund.....	2,600,000
2	Agricultural pollution prevention fund.....	100
3	Agricultural preservation fund.....	727,300
4	Agriculture equine industry development fund.....	11,441,900
5	Civil penalties.....	40,300
6	Commodity inspection fees.....	991,500
7	Gasoline inspection and testing fund.....	1,565,800
8	Groundwater and freshwater protection fund.....	4,756,500
9	Groundwater management fund.....	100
10	Horticulture fund.....	70,000
11	Industry support funds.....	260,000
12	Licensing and inspection fees.....	5,825,500
13	Michigan state fair revenue.....	5,372,500
14	Michigan strategic fund.....	500,000
15	Pseudorabies and swine brucellosis fund.....	20,000
16	State services fee fund.....	4,864,100
17	Testing fees.....	357,500
18	Upper Peninsula state fair revenue.....	1,224,300
19	Weights and measures regulation fees.....	518,400
20	Total other state restricted revenues.....	41,135,800
21	State general fund/general purpose..... \$	33,627,000
22	Sec. 102. EXECUTIVE	
23	Full-time equated unclassified positions.....6.0	
24	Full-time equated classified positions.....48.5	
25	Commissions and boards..... \$	63,300
26	Unclassified positions--6.0 FTE positions.....	428,500
27	Executive direction--7.0 FTE positions.....	752,000

1	Management services--37.5 FTE positions.....	2,833,100
2	Statistical reporting service--4.0 FTE positions....	<u>326,500</u>
3	GROSS APPROPRIATION..... \$	4,403,400
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG from MDCIS (LCC), nonretail liquor license fees.	8,800
7	Special revenue funds:	
8	Gasoline inspection and testing fund.....	47,800
9	Licensing and inspection fees.....	10,000
10	Michigan state fair revenue.....	80,500
11	State services fee fund.....	160,500
12	Upper Peninsula state fair revenue.....	9,000
13	State general fund/general purpose..... \$	4,086,800
14	Sec. 103. DEPARTMENTWIDE	
15	Employee turnover savings..... \$	(100,000)
16	Rent and building occupancy charges.....	<u>1,700,700</u>
17	GROSS APPROPRIATION..... \$	1,600,700
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG from MDCIS (LCC), nonretail liquor license fees.	6,600
21	Federal revenues:	
22	DAG, multiple grants.....	115,000
23	EPA, multiple grants.....	70,000
24	HHS-FDA.....	15,000
25	Special revenue funds:	
26	Agricultural preservation fund.....	27,300
27	Groundwater and freshwater protection fund.....	10,900

1	Licensing and inspection fees.....	55,200
2	State services fee fund.....	304,600
3	State general fund/general purpose..... \$	996,100
4	Sec. 104. FOOD AND DAIRY	
5	Full-time equated classified positions.....108.0	
6	Food safety and quality assurance--108.0 FTE	
7	positions..... \$	9,815,700
8	Local public health operations.....	<u>8,878,700</u>
9	GROSS APPROPRIATION..... \$	18,694,400
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from MDCH, local public health operations.....	8,878,700
13	Federal revenues:	
14	DAG, multiple grants.....	22,700
15	HHS-FDA.....	186,700
16	Special revenue funds:	
17	Civil penalties.....	40,300
18	Licensing and inspection fees.....	2,740,200
19	State general fund/general purpose..... \$	6,825,800
20	Sec. 105. ANIMAL INDUSTRY	
21	Full-time equated classified positions.....50.0	
22	Animal health and welfare--50.0 FTE positions..... \$	<u>6,723,300</u>
23	GROSS APPROPRIATION..... \$	6,723,300
24	Appropriated from:	
25	Federal revenues:	
26	DAG, multiple grants.....	150,000
27	HHS-FDA.....	9,000

1	Special revenue funds:	
2	Agricultural enhancement fund.....	750,000
3	Agriculture equine industry development fund.....	50,000
4	Licensing and inspection fees.....	178,200
5	Michigan strategic fund.....	500,000
6	Pseudorabies and swine brucellosis fund.....	20,000
7	State general fund/general purpose..... \$	5,066,100
8	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
9	Full-time equated classified positions.....121.8	
10	Pesticide and plant pest management--121.8 FTE	
11	positions..... \$	12,107,800
12	Emerald ash borer control program.....	7,250,000
13	Michigan State University.....	<u>210,000</u>
14	GROSS APPROPRIATION..... \$	19,567,800
15	Appropriated from:	
16	Federal revenues:	
17	DAG, multiple grants.....	9,264,400
18	EPA, multiple grants.....	1,510,000
19	HHS-FDA.....	60,000
20	Special revenue funds:	
21	Private - slow-the-spread foundation.....	130,000
22	Commodity inspection fees.....	991,500
23	Horticulture fund.....	70,000
24	Licensing and inspection fees.....	2,779,800
25	State general fund/general purpose..... \$	4,762,100
26	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
27	Full-time equated classified positions.....47.0	

1	Environmental stewardship--32.7 FTE positions.....	\$	2,640,200
2	Groundwater and freshwater protection program--8.3		
3	FTE positions.....		4,924,100
4	Farmland and open space preservation--6.0 FTE		
5	positions.....		699,800
6	Agriculture pollution prevention program.....		100
7	Cooperative resources management initiative program.		1,000,000
8	Energy conservation program.....		138,000
9	Local conservation districts.....		1,861,200
10	Migrant labor housing.....		<u>855,000</u>
11	GROSS APPROPRIATION.....	\$	12,118,400
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG from MDEQ, biosolids.....		80,000
15	IDG from MDEQ, type II well survey.....		15,000
16	IDG from MDNR, district forestry and wildlife		
17	program.....		1,000,000
18	IDG from MDEQ, right to farm.....		105,000
19	Federal revenues:		
20	EPA, multiple grants.....		400,000
21	Special revenue funds:		
22	Private - oil company overcharge settlement.....		193,900
23	Agricultural enhancement fund.....		800,000
24	Agricultural pollution prevention fund.....		100
25	Agricultural preservation fund.....		699,800
26	Groundwater and freshwater protection fund.....		4,745,500
27	Groundwater management fund.....		100

1	State general fund/general purpose.....	\$	4,079,000
2	Sec. 108. LABORATORY PROGRAM		
3	Full-time equated classified positions.....	115.0	
4	Laboratory analysis program--61.5 FTE positions.....	\$	5,012,200
5	USDA monitoring--18.0 FTE positions.....		1,828,500
6	Consumer protection program--35.5 FTE positions.....		<u>3,046,500</u>
7	GROSS APPROPRIATION.....	\$	9,887,200
8	Appropriated from:		
9	Interdepartmental grant revenues:		
10	IDG from MDCIS (LCC), liquor quality testing fees...		161,500
11	Federal revenues:		
12	DAG, multiple programs.....		1,848,900
13	EPA, multiple programs.....		300,000
14	Special revenue funds:		
15	Private - oil company overcharge settlement.....		803,700
16	Agriculture equine industry development fund.....		443,900
17	Gasoline inspection and testing fund.....		1,491,800
18	Testing fees.....		357,500
19	Weights and measures regulation fees.....		518,400
20	State general fund/general purpose.....	\$	3,961,500
21	Sec. 109. MARKET DEVELOPMENT		
22	Full-time equated classified positions.....	14.0	
23	Marketing and emergency management--9.0 FTE		
24	positions.....	\$	1,817,000
25	Agriculture development--5.0 FTE positions.....		1,907,000
26	Export market development program.....		100,000
27	Food bank.....		630,500

1	Northwest Michigan horticultural research station...	29,700
2	Southwestern Michigan tourist council - taste of	
3	Michigan.....	10,000
4	Future farmers of America.....	110,000
5	GROSS APPROPRIATION..... \$	4,605,100
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from MDCIS (LCC), nonretail liquor license fees.	500,000
9	Federal revenues:	
10	DAG, multiple grants.....	100,000
11	Special revenue funds:	
12	Agricultural enhancement fund.....	1,050,000
13	Industry support funds.....	260,000
14	Licensing and inspection fees.....	62,100
15	State general fund/general purpose..... \$	2,633,000
16	Sec. 110. FAIRS AND EXPOSITIONS	
17	Full-time equated classified positions.....21.0	
18	Michigan state fair operations--9.0 FTE positions... \$	5,110,300
19	Upper Peninsula state fair--7.0 FTE positions.....	1,214,400
20	Fairs and racing--5.0 FTE positions.....	612,600
21	Building and track improvement - county and state	
22	fairs.....	963,200
23	Distribution of outstanding winning tickets.....	1,500,000
24	Licensed tracks - light horse racing.....	67,200
25	Premiums - county and state fairs.....	1,614,100
26	Purses and supplements - fairs/licensed tracks.....	2,137,800
27	Quarterhorse programs.....	34,900

1	Standardbred breeders' awards.....	1,082,400
2	Standardbred Fedele Fauri futurity.....	70,900
3	Standardbred Michigan futurity.....	70,700
4	Standardbred purses and supplements - licensed	
5	tracks.....	242,300
6	Standardbred sire stakes.....	906,900
7	Standardbred training and stabling.....	38,200
8	Thoroughbred owners' awards.....	136,600
9	Thoroughbred program.....	1,586,800
10	Thoroughbred sire stakes.....	<u>906,700</u>
11	GROSS APPROPRIATION..... \$	18,296,000
12	Appropriated from:	
13	Special revenue funds:	
14	Agriculture equine industry development fund.....	8,781,500
15	Michigan state fair revenue.....	5,203,200
16	State services fee fund.....	3,096,900
17	Upper Peninsula state fair revenue.....	1,214,400
18	State general fund/general purpose..... \$	0
19	Sec. 111. OFFICE OF RACING COMMISSIONER	
20	Full-time equated classified positions.....31.7	
21	Office of racing commissioner--31.7 FTE positions... \$	<u>3,342,500</u>
22	GROSS APPROPRIATION..... \$	3,342,500
23	Appropriated from:	
24	Special revenue funds:	
25	Agriculture equine industry development fund.....	2,042,500
26	State services fee fund.....	1,300,000
27	State general fund/general purpose..... \$	0

Sec. 112. INFORMATION AND TECHNOLOGY

Information technology services and projects.....	\$	<u>1,461,900</u>
GROSS APPROPRIATION.....	\$	1,461,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDCIS (LCC), liquor quality testing fees...		2,500
IDG from MDCIS (LCC), nonretail liquor license fees.		500
Special revenue funds:		
Groundwater and freshwater protection fund.....		100
Agriculture equine industry development fund.....		124,000
Agricultural preservation fund.....		200
State services fee fund.....		2,100
Upper Peninsula state fair revenue.....		900
Michigan state fair revenue.....		88,800
Gasoline inspection testing fund.....		26,200
State general fund/general purpose.....	\$	1,216,600

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 2003-2004 is \$74,762,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$3,661,200.00. The itemized statement below identifies appropriations from which spending to local units of

1 government will occur:

2 DEPARTMENT OF AGRICULTURE

3	Groundwater and freshwater protection program.....	\$	1,800,000
4	Local conservation districts.....		<u>1,861,200</u>
5	TOTAL.....	\$	3,661,200

6 Sec. 202. The appropriations authorized under this act are
 7 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
 8 18.1594.

9 Sec. 203. As used in this act:

- 10 (a) "DAG" means the United States department of agriculture.
- 11 (b) "Department" means the department of agriculture.
- 12 (c) "Director" means the director of the department.
- 13 (d) "EPA" means the United States environmental protection agency.
- 14 (e) "FTE" means full-time equated.
- 15 (f) "HHS-FDA" means the United States department of health and
 16 human services - food and drug administration.
- 17 (g) "IDG" means interdepartmental grant.
- 18 (h) "MDCH" means the Michigan department of community health.
- 19 (i) "MDCIS (LCC)" means the Michigan department of consumer and
 20 industry services - liquor control commission.
- 21 (j) "MDEQ" means the Michigan department of environmental quality.
- 22 (k) "MDNR" means the Michigan department of natural resources.
- 23 Sec. 204. The department of civil service shall bill departments
 24 and agencies at the end of the first fiscal quarter for the 1% charge
 25 authorized by section 5 of article XI of the state constitution of
 26 1963. Payments shall be made for the total amount of the billing by
 27 the end of the second fiscal quarter.

1 Sec. 205. (1) A hiring freeze is imposed on the state classified
2 civil service. State departments and agencies are prohibited from
3 hiring any new state classified civil service employees and prohibited
4 from filling any vacant state classified civil service positions.
5 This hiring freeze does not apply to internal transfers of classified
6 employees from 1 position to another within a department.

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

18 (3) The hiring freeze does not apply to the animal industry
19 program.

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

26 Sec. 207. At least 60 days before beginning any effort to
27 privatize, the department shall submit a complete project plan to the

1 appropriate senate and house of representatives appropriations
2 subcommittees and the senate and house fiscal agencies. The plan
3 shall include the criteria under which the privatization initiative
4 will be evaluated. The evaluation shall be completed and submitted to
5 the appropriate senate and house of representatives appropriations
6 subcommittees and the senate and house fiscal agencies within 30
7 months.

8 Sec. 208. Unless otherwise specified, the department shall use
9 the Internet to fulfill the reporting requirements of this act. This
10 may include transmission of reports via electronic mail to the
11 recipients identified for each reporting requirement, or it may
12 include placement of reports on an Internet or Intranet site.

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

17 (2) In addition to the requirements in subsection (1), the
18 purchase of goods or services, or both, if competitively priced and of
19 comparable quality shall be Michigan goods or services, or both, if
20 available. The department shall also encourage the use of Michigan
21 produced agricultural products by all state agencies and departments
22 if competitively priced and of comparable quality, if available.

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

1 contracts to subcontract with certified businesses in depressed and
2 deprived communities for services, supplies, or both.

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

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

14 Sec. 212. (1) Of the funds appropriated in part 1, the
15 department may provide for indemnity as provided for pursuant to the
16 animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.745, not
17 to exceed \$100,000.00 per order from any line item for the fiscal year
18 ending September 30, 2004. Before the department provides for an
19 indemnification under this section, the department shall report the
20 reason for the indemnification, the amount of the indemnification, and
21 to whom the indemnification is to be paid. The report shall be given
22 to each member of the house and senate appropriations subcommittees on
23 agriculture and to the senate and house fiscal agencies and the state
24 budget director.

25 (2) The department of agriculture shall make an indemnification
26 payment for the fair market value of an apiarian loss caused by a bear
27 and payment for the fair market value of livestock killed by a wolf,

1 if the kill is verified by the department of natural resources. The
2 fair market value of the livestock shall be determined pursuant to the
3 indemnification procedures prescribed in the animal industry act, 1988
4 PA 466, MCL 287.701 to 287.745. In addition to the funds appropriated
5 in part 1, the department of agriculture is authorized to expend the
6 funds received from the department of natural resources to reimburse
7 the department of agriculture for all indemnification payments made
8 pursuant to this subsection.

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

17 Sec. 216. The unexpended and unencumbered balance of revenue
18 deposited pursuant to section 20 of the horse racing law of 1995, 1995
19 PA 279, MCL 431.320, for the fiscal year ending September 30, 2004,
20 shall be appropriated to the Michigan agriculture equine industry
21 development fund for distribution as set forth in section 20 of the
22 horse racing law of 1995, 1995 PA 279, MCL 431.320.

23 Sec. 219. The department of information technology shall
24 establish a schedule of rates, user fees, and charges or assessments
25 for standard services and information system support requirements to
26 be made to departments for technology related services and projects.
27 This schedule, as well as copies of related interagency agreements,

1 shall be provided to the state budget office and the house and senate
2 committees on appropriations before October 15, 2003. The department
3 of agriculture shall not process any payments or fund transfers to the
4 department of information technology until 30 days after the schedule
5 of rates, user fees, and assessments is provided to the legislature,
6 pursuant to this section.

7 Sec. 220. Amounts appropriated in part 1 for information
8 technology may be designated as work projects and carried forward to
9 support technology projects under the direction of the department of
10 information technology. Funds designated in this manner are not
11 available for expenditure until approved as work projects under
12 section 451a of the management and budget act, 1984 PA 431, MCL
13 18.1451a.

14 Sec. 221. At the close of the fiscal year ending September 30,
15 2004, \$2,223,000.00 from the unreserved and unencumbered closing
16 balance of the agriculture equine industry development fund shall be
17 transferred to the general fund. This transfer shall be made as a
18 result of the funding cuts applied to the various horse racing
19 appropriations included in this act.

20 Sec. 222. The negative appropriation for employee turnover
21 savings in part 1 shall be satisfied by employee cost savings realized
22 from the natural delay associated with position posting, recruitment,
23 and hiring of employees to fill approved vacancies for existing
24 positions within the department. Appropriation authorization
25 adjustments required to implement the negative appropriation shall be
26 made after the approval of transfers by the legislature under section
27 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

1 Sec. 223. In addition to the amounts appropriated in part 1, in
2 order to encourage administrative efficiencies, there is appropriated
3 in a special line-item account to be entitled director's
4 administrative efficiencies account an amount not to exceed the
5 unexpended, unreserved general fund portions of the fiscal year
6 2002-2003 appropriations made to the department for salaries and wages
7 expenses, contractual services, supplies and materials expenses,
8 information technology expenses, and program operations costs. These
9 funds may be expended 30 days after the director submits an allotment
10 plan for the director's administrative efficiencies account to the
11 state budget director and the chairpersons of the house and senate
12 appropriations committees.

13 Sec. 224. (1) Part 1 appropriations include \$2,600,000.00 from
14 the agricultural enhancement fund or, if legislation creating the
15 agricultural enhancement fund is not enacted before March 30, 2004,
16 from the Michigan strategic fund casino compact revenue above the fund
17 balance of \$20,000,000.00. To the extent that revenue is available
18 from the applicable source, programs, services, and projects are
19 appropriated in the following amounts and order of priority:

- 20 (a) \$1,000,000.00 for market development.
21 (b) \$750,000.00 for bovine tuberculosis.
22 (c) \$600,000.00 for migrant housing.
23 (d) \$200,000.00 for local conservation districts.
24 (e) \$50,000.00 for future farmers of America.

25 (2) Expenditures for programs listed in this section shall not be
26 reduced if funds are appropriated pursuant to this section.

27 Sec. 225. (1) Agricultural enhancement fund revenue in excess of

1 \$2,600,000.00 and casino compact revenue of the Michigan strategic
2 fund above the fund balance of \$20,000,000.00 is appropriated for the
3 purposes of enhancing the development of agriculture in this state,
4 including, but not limited to, the following purposes:

5 (a) Support of value-added opportunities, including, but not
6 limited to, market development, export enhancement, and quality and
7 purity assurance.

8 (b) Research and diagnostic capabilities for agricultural plants
9 and animals.

10 (c) Environmental programs that provide incentives for on-farm
11 practices or structures to reduce potential impacts on air, water, and
12 soil.

13 (d) Rehabilitation programs for race horses.

14 (e) Farmland preservation, including, but not limited to,
15 purchase of development rights and land use planning.

16 (f) Agricultural production practices that efficiently use water
17 in the production of feed, food, and fiber.

18 (g) Leadership development or educational programs that directly
19 support production agriculture, including agriculture-related
20 activities at county, regional, and state fairs.

21 (h) Food security.

22 (2) These funds may be expended 30 days after the director
23 provides a plan for the use of these funds to the state budget
24 director and the chairpersons of the house and senate appropriations
25 committees. Expenditures for programs listed in this section shall
26 not be reduced if funds are appropriated pursuant to this section.

1 **EXECUTIVE**

2 Sec. 301. Per diem rates for commodity committees established in
3 the agriculture commodities marketing act, 1965 PA 232, MCL 290.651 to
4 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1964 PA 114, MCL 290.551
5 to 290.568, and the beef industry commission act, 1972 PA 291, MCL
6 287.601 to 287.610, will be set based upon levels established in
7 section 301 of 2002 PA 516.

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

13 (a) Management services publications.

14 (b) Management services audit and licensing functions.

15 (c) Upper Peninsula state fair livestock sales.

16 (d) Pesticide and plant pest management propagation and
17 certification of virus free foundation stock.

18 (e) Pesticide and plant pest management bean inspection and
19 grading services.

20 (f) Laboratory support testing for testing horses in draft horse
21 pulling contests at county fairs when local jurisdictions request
22 state assistance.

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

25 (h) Laboratory support analysis of food, livestock, and
26 agricultural products for disease, foreign products for disease, toxic
27 materials, foreign substances, and quality standards.

1 (i) Laboratory support test samples for other agencies and
2 organizations.

3 (j) Fruit and vegetable inspection at shipping and termination
4 points and processing plants.

5 Sec. 303. Of the funds appropriated in part 1 for statistical
6 reporting service, \$90,000.00 shall be used for surveys which include,
7 but are not limited to, fruit, vegetables, and nursery stock, which
8 encompasses Christmas trees and ornamental plants. The director of
9 the Michigan department of agriculture is given authority to include
10 other agricultural surveys such as turfgrass in the 3- to 5-year
11 rotation. The survey shall include information such as existing
12 plantings/acreage, new plantings/acreage, production, and number of
13 growers.

14 **FOOD AND DAIRY**

15 Sec. 401. (1) The department shall monitor restaurant inspection
16 and licensing functions carried out by local health departments to
17 ensure uniform application and enforcement of minimum program
18 requirements. On or before April 1, 2004, the department shall report
19 to the senate and house appropriations subcommittees on agriculture,
20 the senate and house fiscal agencies, and the state budget director on
21 local health department conformance with minimum program
22 requirements.

23 (2) If a local unit of government incurs additional costs
24 resulting from its efforts to control a significant food-borne
25 outbreak, the director shall seek additional resources to reimburse
26 the local unit of government for these additional costs. The director

1 shall involve the local health officer of the jurisdiction affected in
2 all aspects of the control of any food-borne outbreak.

3 Sec. 402. Not later than April 1, 2004, the department shall
4 provide a report to the house and senate appropriations subcommittees
5 on agriculture and the house and senate fiscal agencies describing
6 significant food-borne outbreaks and emergencies including any
7 enforcement actions taken related to food safety during the 2002-2003
8 fiscal year.

9 Sec. 403. The department, in conjunction with the department of
10 community health, shall assure that a process is in place that
11 requires a local unit of government to obtain prior approval from the
12 department before any reallocation or redistribution of program funds
13 appropriated in section 104.

14 ANIMAL INDUSTRY

15 Sec. 450. From the funds appropriated in section 105 for the
16 bovine tuberculosis program, the department of agriculture shall
17 reimburse the department of natural resources for those costs
18 associated with monitoring and testing wildlife for bovine
19 tuberculosis that are necessary to support the department of
20 agriculture goals and are jointly agreed to by the department of
21 agriculture and the department of natural resources to be in excess of
22 efforts necessary to effectively plan and execute the eradication of
23 bovine tuberculosis from Michigan's wild free-ranging deer herd.

24 Sec. 451. From the funds appropriated in section 101 for bovine
25 tuberculosis, the department shall pay for all whole herd testing
26 costs to achieve and maintain split-state status requirements. These

1 costs include producer assistance, indemnity, and compensation for
2 injury causing death or downer to animals.

3 Sec. 453. The appropriation in part 1 for animal health includes
4 \$4,669,200.00 for the bovine tuberculosis program. These funds shall
5 be expended in a manner that maximizes the use of available federal
6 funds. If existing casino compacts are renegotiated, \$500,000.00 is
7 appropriated from the Michigan strategic fund for bovine tuberculosis
8 mitigation, control, and indemnification payments to affected dairy
9 and livestock owners.

10 **PESTICIDE AND PLANT PEST MANAGEMENT**

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

16 Sec. 502. The appropriation in part 1 includes \$7,250,000.00 for
17 emerald ash borer eradication efforts. These funds may be provided to
18 local governmental units to chemically treat threatened trees at the
19 discretion of the director of the department.

20 **ENVIRONMENTAL STEWARDSHIP**

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

24 Sec. 602. The department may expend the amount appropriated for
25 migrant labor housing grants for construction of new migrant labor

1 housing. Project grants shall not exceed \$5,000.00 per unit. An
2 applicant is not eligible for more than a \$20,000.00 grant in any
3 fiscal year.

4 Sec. 603. The department shall apply for all federal funds for
5 which it is eligible that can be used to support the migrant labor
6 housing program.

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

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

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

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

1 **MARKET DEVELOPMENT**

2 Sec. 701. Within the appropriations in part 1 for market
3 development, \$500,000.00 is for the grape and wine industry council,
4 from which the department may provide grants for the purposes as
5 described in section 303 of the Michigan liquor control code of 1998,
6 1998 PA 58, MCL 436.1303.

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

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

14 Sec. 705. The appropriation in section 109 for the export market
15 development program shall be used to coordinate state participation in
16 the federal market access program and to leverage federal funds for
17 the purpose of developing new and enhancing existing export markets
18 for Michigan agricultural products.

19 Sec. 706. In addition to the appropriation in part 1 for the
20 food bank, \$369,500.00 is appropriated from the state general fund for
21 procurement and distribution of Michigan agricultural products to
22 emergency food providers.

23 Sec. 707. The department is authorized to receive and expend up
24 to \$5,000,000.00 of utility company uncollectible allowance recovery
25 fund resources which may be deposited into the agricultural
26 development fund for the support of grants for value-added
27 agricultural processing and agricultural production ventures in

1 accordance with the Julian-Stille value-added act, 2000 PA 322, MCL
 2 285.301 to 285.304. The agriculture development fund resources when
 3 certified as available by the department of treasury shall remain
 4 unallotted until such time as the state budget director has reviewed
 5 and approved a department submitted allotment schedule. Expenditures
 6 for support of agricultural processing and production ventures shall
 7 not exceed revenues received. Unexpended resources remaining in the
 8 fund at the end of the fiscal year shall remain in the fund and not
 9 lapse to the general fund.

10 **FAIRS AND EXPOSITIONS**

11 Sec. 801. The department shall submit a report each month to the
 12 state budget director, the senate and house appropriations
 13 subcommittees on agriculture, and the senate and house fiscal agencies
 14 that states the simulcasting revenues generated in the preceding month
 15 by each licensed track and the amount received from license fees.

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

23 (2) The appropriation in part 1 for licensed tracks - light horse
 24 racing shall be allocated as follows:

25	Arabian and Appaloosa horse racing.....	\$	16,800
26	Quarter horse racing.....		50,500

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

7 Sec. 804. From the funds appropriated in section 110 for
8 thoroughbred owners' awards, awards shall be distributed pursuant to
9 section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

10 Sec. 805. The department shall notify the senate and house
11 appropriations subcommittees and the fiscal agencies of any planned
12 reductions in appropriations, allocations, or expenditures from the
13 agriculture equine industry development fund no less than 10 days
14 before such reductions are implemented.

15 Sec. 806. A county fair, district fair, 4-H fair, or state fair
16 receiving funds in section 110 to be used for prizes or awards, in
17 whole or in part, as a condition precedent to the receiving of the
18 funds for those purposes, shall publish the rules relative to the
19 prizes, awards, and deadlines for entries eligible for the funds in
20 their official premium books or lists relative to the prizes or
21 awards. An aggrieved exhibitor may make a written complaint to the
22 fair within 10 days after the fair ends. If the fair has not
23 satisfactorily settled the grievance within 45 days after it is
24 submitted to the fair, the aggrieved person may file the complaint
25 with the department and the department shall investigate the complaint
26 and make a finding of fact regarding the complaint and take
27 appropriate action regarding the complaint.

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

5 Sec. 808. Of the amount appropriated in section 110 for
6 premiums, \$11,400.00 shall be expended as a grant for the Michigan
7 horse show association - fall youth show.

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

22 Sec. 810. Expenditures for the Michigan state fair operations
23 from the department shall be limited to the amount appropriated in
24 section 110. The department shall not be responsible for any costs
25 above the appropriated amount unless additional funds are appropriated
26 for this purpose.

27 Sec. 811. The funds appropriated in section 110 for distribution

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

8 Sec. 812. An individual or other entity that leases land, a
9 building, or other property under the Michigan exposition and
10 fairgrounds act, 1978 PA 361, MCL 285.161 to 285.175a, is not eligible
11 for a state grant, loan, appropriation, or other state subsidy related
12 to the leased land, building, or other property.

13 Sec. 813. (1) On or before January 29, 2004, the department,
14 together with the senate and house fiscal agencies and the department
15 of management and budget, shall estimate the unreserved and
16 unencumbered closing balance of the agriculture equine industry
17 development fund for the fiscal year ending September 30, 2003. The
18 estimate shall consider lapsed appropriations from the fund and any
19 carryforward amounts designated for appropriation in the fiscal year
20 ending September 30, 2003.

21 (2) On or before February 5, 2004, the department shall request a
22 legislative transfer in accordance with section 393 of the management
23 and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated
24 unreserved and unencumbered agriculture equine industry development
25 fund balance in excess of \$250,000.00. The appropriations included in
26 the transfer request shall be in accordance with the requirements of
27 section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

1 At the same time the department forwards its transfer request to the
2 department of management and budget, the department shall submit
3 copies of the transfer request to the senate and house appropriations
4 subcommittees on agriculture and the senate and house fiscal
5 agencies.

6 **OFFICE OF RACING COMMISSIONER**

7 Sec. 901. The racing commissioner may pay rewards of not more
8 than \$5,800.00 to a person who provides information that results in
9 the arrest and conviction on a felony or misdemeanor charge for a
10 crime that involves the horse racing industry. A reward paid pursuant
11 to this section shall be paid out of the office of racing commissioner
12 line item.