

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:

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, 2004, from the funds indicated in this part. The following is a summary of the 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.....	\$ 89,182,500
6	Interdepartmental grant revenues:	
7	IDG from MDCH, local public health operations.....	8,878,700
8	IDG from MDCIS (LCC), liquor quality testing fees...	164,000
9	IDG from MDCIS (LCC), nonretail liquor license fees.	515,900
10	IDG from MDEQ, biosolids.....	80,000
11	IDG from MDEQ, right to farm.....	105,000
12	IDG from MDEQ, type II well survey.....	15,000
13	IDG from MDNR, district forestry and wildlife	
14	program.....	1,000,000
15	Total interdepartmental grants and intradepartmental	
16	transfers.....	10,758,600
17	ADJUSTED GROSS APPROPRIATION.....	\$ 78,423,900
18	Federal revenues:	
19	DAG, multiple grants.....	4,251,000
20	EPA, multiple grants.....	2,280,000
21	HHS-FDA.....	270,700
22	Total federal revenues.....	6,801,700
23	Special revenue funds:	
24	Total local revenues.....	0
25	Private - oil company overcharge settlement.....	997,600
26	Private - slow-the-spread foundation.....	130,000
27	Total private revenues.....	1,127,600

1	Agriculture equine industry development fund.....	10,442,000
2	Agriculture pollution prevention fund.....	100
3	Agricultural preservation fund.....	727,300
4	Civil penalties.....	40,300
5	Commodity inspection fees.....	991,500
6	Gasoline inspection and testing fund.....	1,565,800
7	Groundwater and freshwater protection fund.....	4,756,500
8	Industry support funds.....	260,000
9	Licensing and inspection fees.....	5,925,500
10	Michigan state fair revenue.....	5,372,400
11	Pseudorabies and swine brucellosis fund.....	20,000
12	State services fee fund.....	4,864,000
13	Testing fees.....	357,500
14	Upper Peninsula state fair revenue.....	1,224,300
15	Weights and measures regulation fees.....	518,400
16	Total other state restricted revenues.....	37,065,600
17	State general fund/general purpose..... \$	33,429,000
18	Sec. 102. EXECUTIVE	
19	Full-time equated unclassified positions.....6.0	
20	Full-time equated classified positions.....48.5	
21	Commission and boards..... \$	63,300
22	Unclassified positions--6.0 FTE positions.....	428,500
23	Executive direction--7.0 FTE positions.....	752,000
24	Management services--37.5 FTE positions.....	2,833,100
25	Statistical reporting service--4.0 FTE positions....	<u>326,500</u>
26	GROSS APPROPRIATION..... \$	4,403,400
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	IDG from MDCIS (LCC), nonretail liquor license fees.	8,800
3	Special revenue funds:	
4	Gasoline inspection and testing fund.....	47,800
5	Licensing and inspection fees.....	10,000
6	Michigan state fair revenue.....	80,500
7	State services fee fund.....	160,500
8	Upper Peninsula state fair revenue.....	9,000
9	State general fund/general purpose..... \$	4,086,800
10	Sec. 103. DEPARTMENTWIDE	
11	Rent and building occupancy charges..... \$	1,700,700
12	Employee turnover savings.....	<u>(75,000)</u>
13	GROSS APPROPRIATION..... \$	1,625,700
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	IDG from MDCIS (LCC), nonretail liquor license fees.	6,600
17	Federal revenues:	
18	DAG, multiple grants.....	115,000
19	EPA, multiple grants.....	70,000
20	HHS-FDA.....	15,000
21	Special revenue funds:	
22	Agricultural preservation fund.....	27,300
23	Groundwater and freshwater protection fund.....	10,900
24	Licensing and inspection fees.....	55,200
25	State services fee fund.....	304,600
26	State general fund/general purpose..... \$	1,021,100
27	Sec. 104. FOOD AND DAIRY	

1	Full-time equated classified positions.....108.0	
2	Food safety and quality assurance--108.0 FTE	
3	positions.....	\$ 9,815,700
4	Local public health operations.....	<u>8,878,700</u>
5	GROSS APPROPRIATION.....	\$ 18,694,400
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from MDCH, local public health operations.....	8,878,700
9	Federal revenues:	
10	DAG, multiple grants.....	22,700
11	HHS-FDA.....	186,700
12	Special revenue funds:	
13	Civil penalties.....	40,300
14	Licensing and inspection fees.....	2,840,200
15	State general fund/general purpose.....	\$ 6,725,800
16	Sec. 105. ANIMAL INDUSTRY	
17	Full-time equated classified positions.....50.0	
18	Animal health and welfare--23.5 FTE positions.....	\$ 2,054,100
19	Bovine tuberculosis program--26.5 FTE positions.....	<u>4,192,500</u>
20	GROSS APPROPRIATION.....	\$ 6,246,600
21	Appropriated from:	
22	Federal revenues:	
23	DAG, multiple grants.....	150,000
24	HHS-FDA.....	9,000
25	Special revenue funds:	
26	Agriculture equine industry development fund.....	50,000
27	Licensing and inspection fees.....	178,200

1	Pseudorabies and swine brucellosis fund.....	20,000
2	State services fee fund.....	123,300
3	State general fund/general purpose..... \$	5,716,100
4	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
5	Full-time equated classified positions.....121.8	
6	Pesticide and plant pest management--121.8 FTE	
7	positions..... \$	12,037,800
8	Michigan State University.....	<u>210,000</u>
9	GROSS APPROPRIATION..... \$	12,247,800
10	Appropriated from:	
11	Federal revenues:	
12	DAG, multiple grants.....	2,014,400
13	EPA, multiple grants.....	1,510,000
14	HHS-FDA.....	60,000
15	Special revenue funds:	
16	Private - slow-the-spread foundation.....	130,000
17	Commodity inspection fees.....	991,500
18	Licensing and inspection fees.....	2,779,800
19	State general fund/general purpose..... \$	4,762,100
20	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
21	Full-time equated classified positions.....47.0	
22	Environmental stewardship--32.7 FTE positions..... \$	2,640,200
23	Groundwater and freshwater protection program--8.3	
24	FTE positions.....	4,924,000
25	Farmland and open space preservation--6.0 FTE	
26	positions.....	699,800
27	Cooperative resources management initiative program.	1,000,000

1	Agriculture pollution prevention program.....	100
2	Energy conservation program.....	138,000
3	Local conservation districts.....	1,661,200
4	Migrant labor housing.....	<u>255,000</u>
5	GROSS APPROPRIATION..... \$	11,318,300
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG from MDEQ, biosolids.....	80,000
9	IDG from MDEQ, right to farm.....	105,000
10	IDG from MDEQ, type II well survey.....	15,000
11	IDG from MDNR, district forestry and wildlife	
12	program.....	1,000,000
13	Federal revenues:	
14	EPA, multiple grants.....	400,000
15	Special revenue funds:	
16	Private - oil company overcharge settlement.....	193,900
17	Agricultural preservation fund.....	699,800
18	Agriculture pollution prevention fund.....	100
19	Groundwater and freshwater protection fund.....	4,745,500
20	State general fund/general purpose..... \$	4,079,000
21	Sec. 108. LABORATORY PROGRAM	
22	Full-time equated classified positions.....	115.0
23	Laboratory analysis program--61.5 FTE positions..... \$	5,012,100
24	USDA monitoring--18.0 FTE positions.....	1,828,500
25	Consumer protection program--35.5 FTE positions.....	<u>3,046,500</u>
26	GROSS APPROPRIATION..... \$	9,887,100
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	IDG from MDCIS (LCC), liquor quality testing fees...	161,500
3	Federal revenues:	
4	DAG, multiple grants.....	1,848,900
5	EPA, multiple grants.....	300,000
6	Special revenue funds:	
7	Private - oil company overcharge settlement.....	803,700
8	Agriculture equine industry development fund.....	443,900
9	Gasoline inspection and testing fund.....	1,491,800
10	Testing fees.....	357,500
11	Weights and measures regulation fees.....	518,400
12	State general fund/general purpose..... \$	3,961,400
13	Sec. 109. MARKET DEVELOPMENT	
14	Full-time equated classified positions.....14.0	
15	Marketing and emergency management--9.0 FTE	
16	positions..... \$	1,366,800
17	Agriculture development--5.0 FTE positions.....	624,900
18	Export market development program.....	100,000
19	Food bank.....	630,500
20	Future farmers of America.....	<u>60,000</u>
21	GROSS APPROPRIATION..... \$	2,782,200
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	IDG from MDCIS (LCC), nonretail liquor license fees.	500,000
25	Federal revenues:	
26	DAG, multiple grants.....	100,000
27	Special revenue funds:	

1	Industry support funds.....	260,000
2	Licensing and inspection fees.....	62,100
3	State general fund/general purpose..... \$	1,860,100
4	Sec. 110. FAIRS AND EXPOSITIONS	
5	Full-time equated classified positions.....21.0	
6	Michigan state fair operations--9.0 FTE positions... \$	5,110,200
7	Upper Peninsula state fair--7.0 FTE positions.....	1,214,400
8	Fairs and racing--5.0 FTE positions.....	612,500
9	Building and track improvement - county and state	
10	fairs.....	839,900
11	Premiums - county and state fairs.....	1,614,000
12	Purses and supplements - fairs/licensed tracks.....	2,137,900
13	Standardbred Fedele Fauri futurity.....	70,800
14	Standardbred Michigan futurity.....	70,800
15	Quarterhorse programs.....	34,800
16	Licensed tracks-light horse racing.....	67,300
17	Standardbred breeders' awards.....	1,082,300
18	Standardbred purses and supplements-licensed tracks.	242,400
19	Standardbred sire stakes.....	906,800
20	Thoroughbred sire stakes.....	906,800
21	Standardbred training and stabling.....	38,300
22	Thoroughbred program.....	1,586,900
23	Thoroughbred owners' awards.....	136,500
24	Distribution of outstanding winning tickets.....	<u>500,000</u>
25	GROSS APPROPRIATION..... \$	17,172,600
26	Appropriated from:	
27	Special revenue funds:	

1	Agriculture equine industry development fund.....	7,781,600
2	Michigan state fair revenue.....	5,203,100
3	State services fee fund.....	2,973,500
4	Upper Peninsula state fair revenue.....	1,214,400
5	State general fund/general purpose..... \$	0
6	Sec. 111. OFFICE OF RACING COMMISSIONER	
7	Full-time equated classified positions.....31.7	
8	Office of racing commissioner--31.7 FTE positions... \$	<u>3,342,500</u>
9	GROSS APPROPRIATION..... \$	3,342,500
10	Appropriated from:	
11	Special revenue funds:	
12	Agriculture equine industry development fund.....	2,042,500
13	State services fee fund.....	1,300,000
14	State general fund/general purpose..... \$	0
15	Sec. 112. INFORMATION TECHNOLOGY	
16	Information technology services and projects..... \$	<u>1,461,900</u>
17	GROSS APPROPRIATION..... \$	1,461,900
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG from MDCIS (LCC), liquor quality testing fees...	2,500
21	IDG from MDCIS (LCC), nonretail liquor license fees.	500
22	Federal revenues:	
23	Special revenue funds:	
24	Agricultural preservation fund.....	200
25	Agriculture equine industry development fund.....	124,000
26	Gasoline inspection and testing fund.....	26,200
27	Groundwater and freshwater protection fund.....	100

1	Michigan state fair revenue.....	88,800
2	State services fee fund.....	2,100
3	Upper Peninsula state fair revenue.....	900
4	State general fund/general purpose..... \$	1,216,600

5 PART 2

6 PROVISIONS CONCERNING APPROPRIATIONS

7 GENERAL SECTIONS

8 Sec. 201. Pursuant to section 30 of article IX of the state
 9 constitution of 1963, total state spending from state resources under
 10 part 1 for fiscal year 2003-2004 is \$70,494,600.00 and state spending
 11 from state resources to be paid to local units of government for
 12 fiscal year 2003-2004 is \$3,461,200.00. The itemized statement below
 13 identifies appropriations from which spending to local units of
 14 government will occur:

15 DEPARTMENT OF AGRICULTURE

16	Groundwater and freshwater protection program..... \$	1,800,000
17	Local conservation districts.....	<u>1,661,200</u>
18	TOTAL..... \$	3,461,200

19 Sec. 202. The appropriations authorized under this act are
 20 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
 21 18.1594.

22 Sec. 203. As used in this act:

- 23 (a) "DAG" means the United States department of agriculture.
 24 (b) "Department" means the department of agriculture.
 25 (c) "Director" means the director of the department.

1 (d) "EPA" means the United States environmental protection agency.

2 (e) "FTE" means full-time equated.

3 (f) "HHS-FDA" means the United States department of health and
4 human services - food and drug administration.

5 (g) "IDG" means interdepartmental grant.

6 (h) "MDCH" means the Michigan department of community health.

7 (i) "MDCIS (LCC)" means the Michigan department of consumer and
8 industry services - liquor control commission.

9 (j) "MDEQ" means the Michigan department of environmental quality.

10 (k) "MDNR" means the Michigan department of natural resources.

11 Sec. 204. The department of civil service shall bill departments
12 and agencies at the end of the first fiscal quarter for the 1% charge
13 authorized by section 5 of article XI of the state constitution of
14 1963. Payments shall be made for the total amount of the billing by
15 the end of the second fiscal quarter.

16 Sec. 205. (1) A hiring freeze is imposed on the state classified
17 civil service. State departments and agencies are prohibited from
18 hiring any new state classified civil service employees and prohibited
19 from filling any vacant state classified civil service positions.
20 This hiring freeze does not apply to internal transfers of classified
21 employees from 1 position to another within a department.

22 (2) The state budget director shall grant exceptions to this
23 hiring freeze when the state budget director believes the hiring
24 freeze will result in rendering a state department or agency unable to
25 deliver basic services, cause a loss of revenue to the state, result
26 in the inability of the state to receive federal funds, or would

1 necessitate additional expenditures that exceed any savings from
2 maintaining a vacancy. The state budget director shall report
3 quarterly to the chairpersons of the senate and house of
4 representatives standing committees on appropriations the number of
5 exceptions to the hiring freeze approved during the previous quarter
6 and the reasons to justify the exception.

7 (3) The hiring freeze does not apply to the animal industry
8 program.

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

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

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

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

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

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

23 Sec. 212. (1) Of the funds appropriated in part 1, the
24 department may provide for indemnity as provided for pursuant to the
25 animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.745, not
26 to exceed \$100,000.00 per order from any line item for the fiscal year
27 ending September 30, 2004. Before the department provides for an

1 indemnification under this section, the department shall report the
2 reason for the indemnification, the amount of the indemnification, and
3 to whom the indemnification is to be paid. The report shall be given
4 to each member of the house and senate appropriations subcommittees on
5 agriculture and to the senate and house fiscal agencies and the state
6 budget director.

7 (2) The department of agriculture shall make an indemnification
8 payment for the fair market value of livestock that is killed by a
9 wolf or coyote, if the kill is verified by the department of natural
10 resources. The fair market value of the livestock shall be determined
11 pursuant to the indemnification procedures prescribed in the animal
12 industry act, 1988 PA 466, MCL 287.701 to 287.745. In addition to the
13 funds appropriated in part 1, the department of agriculture is
14 authorized to expend the funds received from the department of natural
15 resources to reimburse the department of agriculture for all
16 indemnification payments made pursuant to this subsection.

17 Sec. 213. When the department applies to the department of
18 management and budget with a request for a transfer of appropriations
19 or for a supplemental appropriation, the department shall provide the
20 senate and house fiscal agencies with the same information provided to
21 the department of management and budget.

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

1 shall be used to support research or other related activities for the
2 purpose of enhancing the agricultural industries in this state.

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

9 Sec. 219. From the funds appropriated in part 1 for information
10 technology, the department shall pay user fees to the department of
11 information technology for technology-related services and projects.
12 Such user fees shall be subject to provisions of an interagency
13 agreement between the department and the department of information
14 technology.

15 Sec. 220. Amounts appropriated in part 1 for information
16 technology may be designated as work projects and carried forward to
17 support technology projects under the direction of the department of
18 information technology. Funds designated in this manner are not
19 available for expenditure until approved as work projects under
20 section 451a of the management and budget act, 1984 PA 431, MCL
21 18.1451a.

22 Sec. 221. At the close of the fiscal year ending September 30,
23 2004, \$2,025,000.00 from the unreserved and unencumbered closing
24 balance of the agriculture equine industry development fund shall be
25 transferred to the general fund. This transfer shall be made as a
26 result of the funding cuts applied to the various horse racing
27 appropriations included in this act.

1 Sec. 222. The negative appropriation for employee turnover
2 savings in part 1 shall be satisfied by employee cost savings realized
3 from the natural delay associated with position posting, recruitment,
4 and hiring of employees to fill approved vacancies for existing
5 positions within the department. Appropriation authorization
6 adjustments required to implement the negative appropriation shall be
7 made after the approval of transfers by the legislature under section
8 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

9 **EXECUTIVE**

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

15 (a) Management services publications.

16 (b) Management services audit and licensing functions.

17 (c) Upper Peninsula state fair livestock sales.

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

20 (e) Pesticide and plant pest management bean inspection and
21 grading services.

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

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

1 (h) Laboratory support analysis of food, livestock, and
2 agricultural products for disease, foreign products for disease, toxic
3 materials, foreign substances, and quality standards.

4 (i) Laboratory support test samples for other agencies and
5 organizations.

6 (j) Fruit and vegetable inspection at shipping and termination
7 points and processing plants.

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

17 **FOOD AND DAIRY**

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

26 (2) If a local unit of government incurs additional costs
27 resulting from its efforts to control a significant food-borne

1 outbreak, the director shall seek additional resources to reimburse
2 the local unit of government for these additional costs. The director
3 shall involve the local health officer of the jurisdiction affected in
4 all aspects of the control of any food-borne outbreak.

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

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

16 **ANIMAL INDUSTRY**

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

26 Sec. 451. From the funds appropriated in section 101 for bovine
27 tuberculosis, the department shall pay for all whole herd testing

1 costs to achieve and maintain split-state status requirements. These
2 costs include producer assistance, indemnity, and compensation for
3 injury causing death or downer to animals.

4 Sec. 452. In the event of a significant animal or plant health
5 outbreak, the director shall seek additional state and/or federal
6 resources to cover the additional costs associated with addressing the
7 outbreak.

8 **PESTICIDE AND PLANT PEST MANAGEMENT**

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

14 **ENVIRONMENTAL STEWARDSHIP**

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

18 Sec. 602. The department may expend the amount appropriated for
19 migrant labor housing grants for construction of new migrant labor
20 housing. Project grants shall not exceed \$5,000.00 per unit. An
21 applicant is not eligible for more than a \$20,000.00 grant in any
22 fiscal year.

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

26 Sec. 604. The appropriation in section 107 for local

1 conservation districts shall be allocated in the following manner:

2 (a) Of the total appropriation, \$81,200.00 shall be allocated for
3 local conservation district training.

4 (b) Of the total appropriation, each local conservation district
5 meeting the minimum grant requirements shall receive a grant of
6 \$20,000.00 to support basic operations, unless the district resides in
7 a county consisting of multiple districts, in which case a \$20,000.00
8 grant shall be divided equally among the districts in that county.

9 The amount of money allocated under this subdivision shall not be used
10 by local conservation districts to replace any money received from
11 local sources.

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

21 **MARKET DEVELOPMENT**

22 Sec. 701. Within the appropriations in part 1 for market
23 development, \$500,000.00 is for the grape and wine industry council,
24 from which the department may provide grants for the purposes as
25 described in section 303 of the Michigan liquor control code of 1998,
26 1998 PA 58, MCL 436.1303.

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

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

8 Sec. 705. The appropriation in section 109 for the export market
9 development program shall be used to coordinate state participation in
10 the federal market access program and to leverage federal funds for
11 the purpose of developing new and enhancing existing export markets
12 for Michigan agricultural products.

13 Sec. 707. The department is authorized to receive and expend up
14 to \$5,000,000.00 of utility company uncollectible allowance recovery
15 fund resources which may be deposited into the agricultural
16 development fund for the support of grants for value-added
17 agricultural processing and agricultural production ventures in
18 accordance with the Julian-Stille value-added act, 2000 PA 322, MCL
19 285.301 to 285.304. The agriculture development fund resources when
20 certified as available by the department of treasury shall remain
21 unallotted until such time as the state budget director has reviewed
22 and approved a department submitted allotment schedule. Expenditures
23 for support of agricultural processing and production ventures shall
24 not exceed revenues received. Unexpended resources remaining in the
25 fund at the end of the fiscal year shall remain in the fund and not
26 lapse to the general fund.

1 **FAIRS AND EXPOSITIONS**

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

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

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

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

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

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

27 Sec. 805. The department shall notify the senate and house

1 appropriations subcommittees and the fiscal agencies of any planned
2 reductions in appropriations, allocations, or expenditures from the
3 agriculture equine industry development fund no less than 10 days
4 before such reductions are implemented.

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

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

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

25 Sec. 809. From the appropriations for premiums - county and
26 state fairs in section 110, \$120,000.00 shall be awarded through a
27 competitive grant program to local, regional, or state fairs or

1 expositions to promote youth involvement and adult exhibitions in the
2 animal agriculture industry. Appropriate exhibition classes for youth
3 shall be developed that encourage a production exhibit for which
4 premium awards may be paid. The age for youth exhibitors shall be
5 determined by the standards of the association requesting the grant
6 or, if standards do not exist, the age for youth exhibitors shall be
7 ages 9 through 21. Implementation of the latest technologies into the
8 evaluation of the animals shall be encouraged in the production
9 exhibit. Adult exhibitions should focus on the performance or end
10 product, or both, with the appropriate technologies used to enhance
11 placings and the awarding of premiums.

12 Sec. 811. The funds appropriated in section 110 for distribution
13 of outstanding winning tickets are not available for expenditure until
14 they are deposited in the agriculture equine industry development fund
15 pursuant to section 2 of 1951 PA 90, MCL 431.252. These funds shall
16 be expended in accordance with section 2 of 1951 PA 90, MCL 431.252,
17 and only after they have been transferred to another line item in this
18 act under section 393(2) of the management and budget act, 1984 PA
19 431, MCL 18.1393.

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

25 Sec. 813. (1) On or before January 29, 2004, the department,
26 together with the senate and house fiscal agencies and the department
27 of management and budget, shall estimate the unreserved and

1 unencumbered closing balance of the agriculture equine industry
2 development fund for the fiscal year ending September 30, 2003. The
3 estimate shall consider lapsed appropriations from the fund and any
4 carryforward amounts designated for appropriation in the fiscal year
5 ending September 30, 2003.

6 (2) On or before February 5, 2004, the department shall request a
7 legislative transfer in accordance with section 393 of the management
8 and budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated
9 unreserved and unencumbered agriculture equine industry development
10 fund balance in excess of \$250,000.00. The appropriations included in
11 the transfer request shall be in accordance with the requirements of
12 section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.
13 At the same time the department forwards its transfer request to the
14 department of management and budget, the department shall submit
15 copies of the transfer request to the senate and house appropriations
16 subcommittees on agriculture and the senate and house fiscal
17 agencies.

18 **OFFICE OF RACING COMMISSIONER**

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