

**SUBSTITUTE FOR
SENATE BILL NO. 264**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2006; 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

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amounts listed in this part are appropriated for the department of

Senate Bill No. 264 as amended June 14, 2005

agriculture for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF AGRICULTURE

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 691.0

GROSS APPROPRIATION..... \$<<120,362,200>>

Interdepartmental grant revenues:

IDG from MDCH, local public health operations 8,878,700

IDG from MDEQ, biosolids 87,300

IDG from MDEQ, MAEAP 150,000

IDG from MDEQ, type II well survey 16,300

IDG from MDLEG (LCC), liquor quality testing fees 185,900

IDG from MDNR, district forestry and wildlife program 1,000,000

Total interdepartmental grants and intradepartmental

transfers 10,318,200

ADJUSTED GROSS APPROPRIATION..... \$<<110,044,000>>

Federal revenues:

DAG, multiple grants 29,795,800

EPA, multiple grants 2,436,300

HHS-FDA 349,600

Total federal revenues 32,581,700

Special revenue funds:

Total local revenues 0

Private - slow-the-spread foundation 138,700

Total private revenues 138,700

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1	Agricultural preservation fund.....	900,000
2	Agriculture equine industry development fund.....	17,390,500
3	Agriculture pollution prevention fund.....	100
4	Civil penalties.....	45,700
5	Commodity inspection fees.....	888,300
6	Gasoline inspection and testing fund.....	2,468,700
7	Groundwater and freshwater protection fund.....	4,936,800
8	Horticulture fund.....	74,700
9	Industry support funds.....	534,500
10	Licensing and inspection fees.....	6,689,400
11	Nonretail liquor fees.....	625,200
12	Pseudorabies and swine brucellosis fund.....	15,600
13	Refined petroleum fund.....	3,191,100
14	State services fee fund.....	8,535,600
15	Testing fees.....	405,000
16	Upper Peninsula state fair revenue.....	1,338,400
17	Weights and measures regulation fees.....	624,300
18	Total other state restricted revenues.....	48,663,900
19	State general fund/general purpose.....	\$ <<28,659,700>>
20	Sec. 102. EXECUTIVE	
21	Full-time equated unclassified positions..... 6.0	
22	Full-time equated classified positions..... 52.0	
23	Commission and boards.....	\$ 17,800
24	Unclassified positions--6.0 FTE positions.....	354,000
25	Executive direction--10.0 FTE positions.....	1,050,500
26	Management services--35.5 FTE positions.....	2,757,100
27	Statistical reporting service--4.0 FTE positions.....	342,500

1	Emergency management--2.5 FTE positions	226,200
2	Human resource optimization user charges	<u>29,500</u>
3	GROSS APPROPRIATION	\$ 4,777,600
4	Appropriated from:	
5	Special revenue funds:	
6	Gasoline inspection and testing fund	55,000
7	Industry support funds	30,000
8	Nonretail liquor fees	8,800
9	Refined petroleum fund	221,500
10	State services fee fund	561,300
11	Upper Peninsula state fair revenue	9,000
12	State general fund/general purpose	\$ 3,892,000
13	Sec. 103. DEPARTMENTWIDE	
14	Rent and building occupancy charges	\$ <u>1,463,400</u>
15	GROSS APPROPRIATION	\$ 1,463,400
16	Appropriated from:	
17	Federal revenues:	
18	DAG, multiple grants	100,500
19	EPA, multiple grants	61,200
20	HHS-FDA	13,100
21	Special revenue funds:	
22	Agricultural preservation fund	23,900
23	Groundwater and freshwater protection fund	9,500
24	Licensing and inspection fees	59,700
25	Nonretail liquor fees	7,900
26	Refined petroleum fund	114,000
27	State services fee fund	304,600

1	State general fund/general purpose	\$	769,000
2	Sec. 104. FOOD AND DAIRY		
3	Full-time equated classified positions	107.0	
4	Food safety and quality assurance--107.0 FTE positions	\$	10,873,700
5	Local public health operations		<u>8,878,700</u>
6	GROSS APPROPRIATION	\$	19,752,400
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG from MDCH, local public health operations		8,878,700
10	Federal revenues:		
11	DAG, multiple grants		24,800
12	HHS-FDA		203,700
13	Special revenue funds:		
14	Civil penalties		45,700
15	Licensing and inspection fees		3,187,900
16	State general fund/general purpose	\$	7,411,600
17	Sec. 105. ANIMAL INDUSTRY		
18	Full-time equated classified positions	49.0	
19	Animal health and welfare--22.5 FTE positions	\$	2,333,600
20	Bovine tuberculosis program--26.5 FTE positions		<u>5,747,900</u>
21	GROSS APPROPRIATION	\$	8,081,500
22	Appropriated from:		
23	Federal revenues:		
24	DAG, multiple grants		1,251,000
25	HHS-FDA		68,800
26	Special revenue funds:		
27	Agriculture equine industry development fund		2,354,000

1	Licensing and inspection fees	102,000
2	Pseudorabies and swine brucellosis fund	15,600
3	State general fund/general purpose	\$ 4,290,100
4	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
5	Full-time equated classified positions	231.8
6	Pesticide and plant pest management--119.8 FTE	
7	positions	\$ 12,704,600
8	Emerald ash borer control program--112.0 FTE positions	23,660,600
9	Michigan State University	<u>210,000</u>
10	GROSS APPROPRIATION	\$ 36,575,200
11	Appropriated from:	
12	Federal revenues:	
13	DAG, multiple grants	25,809,100
14	EPA, multiple grants	1,610,600
15	HHS-FDA	64,000
16	Special revenue funds:	
17	Private - slow-the-spread foundation	138,700
18	Commodity inspection fees	888,300
19	Horticulture fund	74,700
20	Industry support funds	319,900
21	Licensing and inspection fees	3,220,500
22	State general fund/general purpose	\$ 4,449,400
23	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
24	Full-time equated classified positions	47.0
25	Environmental stewardship--32.7 FTE positions	\$ 2,704,500
26	Groundwater and freshwater protection program--8.3	
27	FTE positions	5,026,600

1	Farmland and open space preservation--6.0 FTE	
2	positions	902,500
3	Cooperative resources management initiative program ..	1,000,000
4	Agriculture pollution prevention program	400,100
5	Local conservation districts	<u>1,500,100</u>
6	GROSS APPROPRIATION	\$ 11,533,800
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from MDEQ, biosolids	87,300
10	IDG from MDEQ, MAEAP	150,000
11	IDG from MDEQ, type II well survey	16,300
12	IDG from MDNR, district forestry and wildlife program	1,000,000
13	Federal revenues:	
14	DAG, multiple grants	400,000
15	EPA, multiple grants	424,500
16	Special revenue funds:	
17	Agricultural preservation fund	875,900
18	Agriculture pollution prevention fund	100
19	Groundwater and freshwater protection fund	4,927,200
20	State general fund/general purpose	\$ 3,652,500
21	Sec. 108. LABORATORY PROGRAM	
22	Full-time equated classified positions	148.0
23	Laboratory services--60.5 FTE positions	\$ 5,438,000
24	USDA monitoring--18.0 FTE positions	1,990,000
25	Consumer protection program--69.5 FTE positions	<u>4,883,800</u>
26	GROSS APPROPRIATION	\$ 12,311,800
27	Appropriated from:	

1	Interdepartmental grant revenues:	
2	IDG from MDLEG (LCC), liquor quality testing fees	183,100
3	Federal revenues:	
4	DAG, multiple grants	2,011,400
5	EPA, multiple grants	340,000
6	Special revenue funds:	
7	Gasoline inspection and testing fund	2,386,700
8	Refined petroleum fund	2,855,600
9	State services fee fund	503,200
10	Testing fees	405,000
11	Weights and measures regulation fees	624,300
12	State general fund/general purpose	\$ 3,002,500
13	Sec. 109. AGRICULTURE DEVELOPMENT	
14	Full-time equated classified positions 8.0	
15	Agriculture development--5.0 FTE positions	\$ 873,300
16	Grape and wine program--3.0 FTE positions	662,600
17	Michigan agricultural surplus system	<u>630,500</u>
18	GROSS APPROPRIATION	\$ 2,166,400
19	Appropriated from:	
20	Federal revenues:	
21	DAG, multiple grants	199,000
22	Special revenue funds:	
23	Industry support funds	154,600
24	Nonretail liquor fees	608,000
25	State services fee fund	350,700
26	State general fund/general purpose	\$ 854,100
27	Sec. 110. FAIRS AND EXPOSITIONS	

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1	Full-time equated classified positions.....	16.5	
2	Upper Peninsula state fair--7.0 FTE positions		\$ 1,328,500
3	Fairs, racing and producer security--9.5 FTE positions		1,057,400
4	Premiums - county and state fairs		1,614,000
5	Purses and supplements - fairs/licensed tracks		<<3,001,300>>
6	Quarterhorse programs		<<46,300>>
7	Licensed tracks - light horse racing		<<139,100>>
8	Standardbred breeders' awards		<<1,491,300>>
9	Standardbred purses and supplements - licensed tracks		<<2,790,900>>
10	Standardbred sire stakes		<<1,006,600>>
11	Thoroughbred sire stakes		<<1,203,900>>
12	Standardbred training and stabling		<<50,900>>
13	Thoroughbred program		<<3,307,000>>
14	Thoroughbred owners' awards		<<181,100>>
	<<Build and track improvement - county and state fairs		963,200>>
15	Distribution of outstanding winning tickets		<u>700,000</u>
16	GROSS APPROPRIATION		\$ 18,881,500
17	Appropriated from:		
18	Special revenue funds:		
19	Agriculture equine industry development fund		14,881,600
20	Industry support funds		30,000
21	Licensing and inspection fees		119,300
22	State services fee fund		2,522,100
23	Upper Peninsula state fair revenue		1,328,500
24	State general fund/general purpose		\$ 0
25	Sec. 111. OFFICE OF RACING COMMISSIONER		
26	Full-time equated classified positions.....	31.7	
27	Office of racing commissioner--31.7 FTE positions		\$ <u>3,296,400</u>

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1	GROSS APPROPRIATION	\$	3,296,400
2	Appropriated from:		
3	Special revenue funds:		
4	State services fee fund		3,296,400
5	State general fund/general purpose	\$	0
6	Sec. 112. INFORMATION TECHNOLOGY		
7	Information technology services and projects	\$	<<1,522,200>>
8	GROSS APPROPRIATION	\$	<<1,522,200>>
9	Appropriated from:		
10	Interdepartmental grant revenues:		
11	IDG from MDLEG (LCC), liquor quality testing fees		2,800
12	Special revenue funds:		
13	Agricultural preservation fund		200
14	Agriculture equine industry development fund		154,900
15	Gasoline inspection and testing fund		27,000
16	Groundwater and freshwater protection fund		100
17	Nonretail liquor fees		500
18	State services fee fund		997,300
19	Upper Peninsula state fair revenue		900
20	State general fund/general purpose	\$	<<338,500>>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

24 Sec. 201. Pursuant to section 30 of article IX of the state
 25 constitution of 1963, total state spending from state resources

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under part 1 for fiscal year 2005-2006 is <<\$77,323,600.00>> and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$3,300,100.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

Groundwater and freshwater protection program	\$	1,800,000
Local conservation districts		<u>1,500,100</u>
TOTAL	\$	3,300,100

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

Sec. 203. As used in this act:

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

(b) "Department" means the department of agriculture.

(c) "Director" means the director of the department.

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

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

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

(g) "IDG" means interdepartmental grant.

(h) "MAEAP" means the Michigan agriculture environmental assurance program.

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

(j) "MDLEG (LCC)" means the Michigan department of labor and economic growth - liquor control commission.

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

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

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

9 Sec. 205. (1) A hiring freeze is imposed on the state
10 classified civil service. State departments and agencies are
11 prohibited from hiring any new state classified civil service
12 employees and prohibited from filling any vacant state classified
13 civil service positions. This hiring freeze does not apply to
14 internal transfers of classified employees from 1 position to
15 another within a department.

16 (2) The state budget director may grant exceptions to this
17 hiring freeze when the state budget director believes that the
18 hiring freeze will result in rendering a state department or agency
19 unable to deliver basic services, causes loss of revenue to the
20 state, would result in the inability of the state to receive
21 federal funds, or would necessitate additional expenditures that
22 exceed any savings from maintaining a vacancy. The state budget
23 director shall report by the thirtieth of each month to the
24 chairpersons of the senate and house of representatives standing
25 committees on appropriations the number of exceptions to the hiring
26 freeze approved during the previous month and the reasons to
27 justify the exception.

1 Sec. 208. Unless otherwise specified, the department shall use
2 the Internet to fulfill the reporting requirements of this act.
3 This requirement shall include transmission of reports via
4 electronic mail to the recipients identified for each reporting
5 requirement and shall include placement of reports on an Internet
6 or Intranet site.

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

11 (2) In addition to the requirements in subsection (1), the
12 purchase of goods or services, or both, if competitively priced and
13 of comparable quality shall be Michigan goods or services, or both,
14 if available. The department shall also encourage the use of
15 Michigan produced agricultural products by all state agencies and
16 departments if competitively priced and of comparable quality and
17 if available.

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

25 Sec. 212. (1) Of the funds appropriated in part 1, the
26 department may provide for indemnity as provided for pursuant to
27 the animal industry act of 1987, 1988 PA 466, MCL 287.701 to

1 287.745, not to exceed \$100,000.00 per order from any line item for
2 the fiscal year ending September 30, 2006. Before the department
3 provides for an indemnification under this section, the department
4 shall report the reason for the indemnification, the amount of the
5 indemnification, and to whom the indemnification is to be paid. The
6 report shall be given to each member of the house and senate
7 appropriations subcommittees on agriculture and to the senate and
8 house fiscal agencies and the state budget director.

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

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

1 Sec. 219. From the funds appropriated in part 1 for
2 information technology, the department shall pay user fees to the
3 department of information technology for technology-related
4 services and projects. The user fees shall be subject to provisions
5 of an interagency agreement between the department and the
6 department of information technology.

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

14 Sec. 223. (1) Due to the current budgetary problems in this
15 state, out-of-state travel for the fiscal year ending September 30,
16 2006 shall be limited to situations in which 1 or more of the
17 following conditions apply:

18 (a) The travel is required by legal mandate or court order or
19 for law enforcement purposes.

20 (b) The travel is necessary to protect the health or safety of
21 Michigan citizens or visitors or to assist other states in similar
22 circumstances.

23 (c) The travel is necessary to produce budgetary savings or to
24 increase state revenues, including protecting existing federal
25 funds or securing additional federal funds.

26 (d) The travel is necessary to comply with federal
27 requirements.

1 (e) The travel is necessary to secure specialized training for
2 staff that is not available within this state.

3 (f) The travel is financed entirely by federal or nonstate
4 funds.

5 (2) If out-of-state travel is necessary but does not meet 1 or
6 more of the conditions in subsection (1), the state budget director
7 may grant an exception to allow the travel. Any exceptions granted
8 by the state budget director shall be reported on a monthly basis
9 to the house and senate appropriations committees.

10 (3) Not later than January 1 of each year, each department
11 shall prepare a travel report listing all travel by classified and
12 unclassified employees outside this state in the immediately
13 preceding fiscal year that was funded in whole or in part with
14 funds appropriated in the department's budget. The report shall be
15 submitted to the chairs and members of the house and senate
16 appropriations committees, the fiscal agencies, and the state
17 budget director. The report shall include the following
18 information:

19 (a) The name of each person receiving reimbursement for travel
20 outside this state or whose travel costs were paid by this state.

21 (b) The destination of each travel occurrence.

22 (c) The dates of each travel occurrence.

23 (d) A brief statement of the reason for each travel
24 occurrence.

25 (e) The transportation and related costs of each travel
26 occurrence, including the proportion funded with state general
27 fund/general purpose revenues, the proportion funded with state

1 restricted revenues, the proportion funded with federal revenues,
2 and the proportion funded with other revenues.

3 (f) A total of all out-of-state travel funded for the
4 immediately preceding fiscal year.

5 Sec. 224. The department shall not take disciplinary action
6 against an employee for communicating with a member of the
7 legislature or his or her staff.

8 EXECUTIVE

9 Sec. 301. Per diem rates for commodity committees established
10 in the agriculture commodities marketing act, 1965 PA 232, MCL
11 290.651 to 290.674, 1970 PA 29, MCL 290.421 to 290.430, 1965 PA
12 114, MCL 290.551 to 290.568, and the beef industry commission act,
13 1972 PA 291, MCL 287.601 to 287.610, will be set based upon levels
14 established in section 301 of 2002 PA 516.

15 Sec. 302. (1) The department may receive and expend revenue
16 and use that revenue to cover necessary expenses related to
17 publications, audit and licensing functions, livestock sales,
18 certification of nursery stock, bean inspection services, and
19 laboratory analyses as specified in the following:

20 (a) Management services publications.

21 (b) Management services audit and licensing functions.

22 (c) Pesticide and plant pest management propagation and
23 certification of virus free foundation stock.

24 (d) Pesticide and plant pest management bean inspection and
25 grading services.

26 (e) Laboratory support testing for testing horses in draft

1 horse pulling contests at county fairs when local jurisdictions
2 request state assistance.

3 (f) Laboratory support analyses to determine foreign
4 substances in horses engaged in racing or pulling contests at
5 tracks.

6 (g) Laboratory support analysis of food, livestock, and
7 agricultural products for disease, foreign products for disease,
8 toxic materials, foreign substances, and quality standards.

9 (h) Laboratory support test samples for other agencies and
10 organizations.

11 (i) Fruit and vegetable inspection at shipping and termination
12 points and processing plants.

13 (2) The department shall notify the senate and house of
14 representatives appropriations subcommittees on agriculture and the
15 senate and house fiscal agencies 60 days prior to the effective
16 date of any proposed changes to the fees authorized under this
17 section.

18 (3) Annually, before February 1, the department shall provide
19 a report to the senate and house of representatives appropriations
20 subcommittees on agriculture and the senate and house fiscal
21 agencies detailing all the fees charged by the department under the
22 authorization provided in this section, including, but not limited
23 to, rates, number of individuals paying each fee, and the revenue
24 generated by each fee in the previous fiscal year.

25 **FOOD AND DAIRY**

26 Sec. 401. (1) The department shall monitor restaurant

1 inspection and licensing functions carried out by local health
2 departments to ensure uniform application and enforcement of
3 minimum program requirements. On or before April 1, 2006, the
4 department shall report to the senate and house appropriations
5 subcommittees on agriculture, the senate and house fiscal agencies,
6 and the state budget director on local health department
7 conformance with minimum program requirements.

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

14 Sec. 402. Not later than April 1, 2006, the department shall
15 provide a report to the house and senate appropriations
16 subcommittees on agriculture and the house and senate fiscal
17 agencies describing significant food-borne outbreaks and
18 emergencies including any enforcement actions taken related to food
19 safety during the 2004-2005 fiscal year.

20 Sec. 403. The department, in conjunction with the department
21 of community health, shall assure that a process is in place that
22 requires a local unit of government to obtain prior approval from
23 the department before any reallocation or redistribution of program
24 funds appropriated in section 104.

25 ANIMAL INDUSTRY

26 Sec. 450. From the funds appropriated in section 105 for the

1 bovine tuberculosis program, the department shall reimburse the
2 department of natural resources for those costs associated with
3 monitoring and testing wildlife for bovine tuberculosis that are
4 necessary to support the department goals and are jointly agreed to
5 by the department and the department of natural resources to be in
6 excess of efforts necessary to effectively plan and execute the
7 eradication of bovine tuberculosis from Michigan's wild free-
8 ranging deer herd.

9 Sec. 451. From the funds appropriated in section 105 for
10 bovine tuberculosis, the department shall pay for all whole herd
11 testing costs and individual animal testing costs in the modified
12 accredited zone to maintain split-state status requirements. These
13 costs include indemnity and compensation for injury causing death
14 or downer to animals.

15 **ENVIRONMENTAL STEWARDSHIP**

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

18 (a) Of the total appropriation, each local conservation
19 district meeting the minimum grant requirements shall receive a
20 grant of \$19,000.00 to support basic operations, unless the
21 district resides in a county consisting of multiple districts, in
22 which case a \$19,000.00 grant shall be divided equally among the
23 districts in that county. The amount of money allocated under this
24 subdivision shall not be used by local conservation districts to
25 replace any money received from local sources.

26 (b) Any amount remaining from the appropriation after

1 distributions under subdivision (a) shall be allocated for local
2 conservation district training.

3 **AGRICULTURE DEVELOPMENT**

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

9 Sec. 703. From the appropriation in part 1 for agriculture
10 development, \$30,000.00 shall be provided to the northwest Michigan
11 horticultural research station.

12 **FAIRS AND EXPOSITIONS**

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

19 Sec. 802. (1) From the amount appropriated in section 110 for
20 purses and supplements - fairs/licensed tracks, \$320,000.00 is to
21 be used for state purse supplements at state licensed pari-mutuel
22 tracks for races comprised only of Michigan-bred horses segregated
23 into a 4-year-old colt trot division, a 4-year-old filly trot
24 division, a 4-year-old colt pace division, and a 4-year-old filly
25 pace division.

(2) From the amount appropriated in section 110 for purses and supplements - fairs/licensed tracks, \$176,000.00 is to be divided equally and used for state purse supplements at the Fedele Fauri futurity race and the Michigan futurity race.

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

Arabian and Appaloosa horse racing	\$	37,300
Quarter horse racing		111,900

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

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

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

Sec. 806. A county fair, district fair, 4-H fair, or state fair receiving funds in section 110 to be used for prizes or awards, in whole or in part, as a condition precedent to the

1 receiving of the funds for those purposes, shall publish the rules
2 relative to the prizes, awards, and deadlines for entries eligible
3 for the funds in their official premium books or lists relative to
4 the prizes or awards. An aggrieved exhibitor may make a written
5 complaint to the fair within 10 days after the fair ends. If the
6 fair has not satisfactorily settled the grievance within 45 days
7 after it is submitted to the fair, the aggrieved person may file
8 the complaint with the department and the department shall
9 investigate the complaint and make a finding of fact regarding the
10 complaint and take appropriate action regarding the complaint.

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

15 Sec. 808. Of the amount appropriated in section 110 for
16 premiums - county and state fairs, \$91,400.00 shall be expended to
17 reimburse up to 75% premiums paid to large livestock and equine
18 exhibitors in show or exhibitions held by statewide associations as
19 defined by the department. Livestock expositions shall be limited
20 to participation in this program and prohibited from participation
21 in any state funded premium programs. The Michigan horse show
22 association fall youth show shall be included.

23 Sec. 809. From the appropriations for premiums - county and
24 state fairs in section 110, \$40,000.00 shall be awarded through a
25 competitive grant program to local, regional, or state fairs or
26 youth education programs to promote youth involvement and adult
27 exhibitions in the animal agriculture industry.

1 Sec. 811. The funds appropriated in section 110 for
2 distribution of outstanding winning tickets are not available for
3 expenditure until they are deposited in the Michigan agriculture
4 equine industry development fund pursuant to section 2 of 1951 PA
5 90, MCL 431.252. These funds shall be expended in accordance with
6 section 2 of 1951 PA 90, MCL 431.252. The department shall provide
7 notice to the house and senate appropriations subcommittees on
8 agriculture at least 10 days before the funds are expended. This
9 notice shall include the amount that each program receives from the
10 outstanding winning ticket revenue deposited in the Michigan
11 agriculture equine industry development fund.

12 OFFICE OF RACING COMMISSIONER

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