

Act No. 148
Public Acts of 2005
Approved by the Governor*
September 28, 2005
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*Item Vetoes

Sec. 816.
Entire Section. (Page 10)

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2005**

Introduced by Senators Barcia and Emerson

ENROLLED SENATE BILL No. 264

AN ACT 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:

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, 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		\$ 119,198,400
Interdepartmental grant revenues:		
IDG from MDCH, local public health operations		8,878,700
IDG from MDEQ, aquifer protection and dispute resolution		50,000
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		10,368,200
ADJUSTED GROSS APPROPRIATION		\$ 108,830,200

For Fiscal Year
Ending Sept. 30,
2006

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
Agricultural preservation fund	900,000
Agriculture equine industry development fund.....	16,473,700
Agriculture pollution prevention fund	100
Civil penalties.....	45,700
Commodity inspection fees	888,300
Gasoline inspection and testing fund	2,468,700
Groundwater and freshwater protection fund.....	4,936,800
Horticulture fund.....	74,700
Industry support funds.....	534,500
Licensing and inspection fees.....	6,689,400
Nonretail liquor fees	625,200
Pseudorabies and swine brucellosis fund	15,600
Refined petroleum fund.....	3,191,100
State services fee fund	8,535,600
Testing fees.....	405,000
Upper Peninsula state fair revenue	1,338,400
Weights and measures regulation fees.....	624,300
Total other state restricted revenues	47,747,100
State general fund/general purpose	\$ 28,362,700

Sec. 102. EXECUTIVE

Full-time equated unclassified positions	6.0
Full-time equated classified positions	52.0
Commission and boards	\$ 47,300
Unclassified positions—6.0 FTE positions.....	354,000
Executive direction—10.0 FTE positions	1,040,600
Management services—35.5 FTE positions.....	2,718,100
Statistical reporting service—4.0 FTE positions.....	345,600
Emergency management—2.5 FTE positions.....	226,200
Human resource optimization user charges.....	29,500
GROSS APPROPRIATION	\$ 4,761,300

Appropriated from:

Special revenue funds:	
Gasoline inspection and testing fund	55,000
Industry support funds.....	30,000
Nonretail liquor fees	8,800
Refined petroleum fund.....	221,500
State services fee fund	561,300
Upper Peninsula state fair revenue	9,000
State general fund/general purpose	\$ 3,875,700

Sec. 103. DEPARTMENTWIDE

Rent and building occupancy charges.....	\$ 1,388,400
GROSS APPROPRIATION	\$ 1,388,400

Appropriated from:

Federal revenues:	
DAG, multiple grants.....	100,500
EPA, multiple grants.....	61,200
HHS-FDA	13,100

Special revenue funds:		
Agricultural preservation fund	\$	23,900
Groundwater and freshwater protection fund.....		9,500
Licensing and inspection fees.....		59,700
Nonretail liquor fees		7,900
Refined petroleum fund		114,000
State services fee fund		304,600
State general fund/general purpose	\$	694,000

Sec. 104. FOOD AND DAIRY

Full-time equated classified positions	107.0		
Food safety and quality assurance—107.0 FTE positions		\$	10,830,300
Local public health operations.....			8,878,700
GROSS APPROPRIATION		\$	19,709,000
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDCH, local public health operations			8,878,700
Federal revenues:			
DAG, multiple grants.....			24,800
HHS-FDA			203,700
Special revenue funds:			
Civil penalties.....			45,700
Licensing and inspection fees.....			3,187,900
State general fund/general purpose		\$	7,368,200

Sec. 105. ANIMAL INDUSTRY

Full-time equated classified positions	49.0		
Animal health and welfare—22.5 FTE positions		\$	2,316,100
Bovine tuberculosis program—26.5 FTE positions.....			5,707,800
GROSS APPROPRIATION		\$	8,023,900
Appropriated from:			
Federal revenues:			
DAG, multiple grants.....			1,251,000
HHS-FDA			68,800
Special revenue funds:			
Agriculture equine industry development fund			2,354,000
Licensing and inspection fees.....			102,000
Pseudorabies and swine brucellosis fund			15,600
State general fund/general purpose		\$	4,232,500

Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions	231.8		
Pesticide and plant pest management—119.8 FTE positions		\$	12,665,300
Emerald ash borer control program—112.0 FTE positions			23,660,600
Michigan State University			210,000
GROSS APPROPRIATION		\$	36,535,900
Appropriated from:			
Federal revenues:			
DAG, multiple grants.....			25,809,100
EPA, multiple grants.....			1,610,600
HHS-FDA			64,000
Special revenue funds:			
Private - slow-the-spread foundation.....			138,700
Commodity inspection fees			888,300
Horticulture fund.....			74,700
Industry support funds.....			319,900
Licensing and inspection fees.....			3,220,500
State general fund/general purpose		\$	4,410,100

Sec. 107. ENVIRONMENTAL STEWARDSHIP

Full-time equated classified positions.....	47.0	
Environmental stewardship—32.7 FTE positions.....	\$	2,702,100
Groundwater and freshwater protection program—8.3 FTE positions		5,026,600
Farmland and open space preservation—6.0 FTE positions.....		902,500
Cooperative resources management initiative program		1,000,000
Agriculture pollution prevention program.....		400,100
Local conservation districts.....		1,516,800
Migrant labor housing.....		100
Aquifer protection program.....		50,000
GROSS APPROPRIATION.....	\$	11,598,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDEQ, aquifer protection and dispute resolution.....		50,000
IDG from MDEQ, biosolids.....		87,300
IDG from MDEQ, MAEAP		150,000
IDG from MDEQ, type II well survey.....		16,300
IDG from MDNR, district forestry and wildlife program		1,000,000
Federal revenues:		
DAG, multiple grants.....		400,000
EPA, multiple grants.....		424,500
Special revenue funds:		
Agricultural preservation fund		875,900
Agriculture pollution prevention fund		100
Groundwater and freshwater protection fund.....		4,927,200
State general fund/general purpose	\$	3,666,900

Sec. 108. LABORATORY PROGRAM

Full-time equated classified positions.....	148.0	
Laboratory services—60.5 FTE positions	\$	5,365,300
USDA monitoring—18.0 FTE positions.....		1,990,000
Consumer protection program—69.5 FTE positions		4,883,800
GROSS APPROPRIATION.....	\$	12,239,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees		183,100
Federal revenues:		
DAG, multiple grants.....		2,011,400
EPA, multiple grants.....		340,000
Special revenue funds:		
Gasoline inspection and testing fund		2,386,700
Refined petroleum fund		2,855,600
State services fee fund		503,200
Testing fees.....		405,000
Weights and measures regulation fees.....		624,300
State general fund/general purpose	\$	2,929,800

Sec. 109. AGRICULTURE DEVELOPMENT

Full-time equated classified positions	8.0	
Agriculture development—5.0 FTE positions.....	\$	868,800
Grape and wine program—3.0 FTE positions.....		662,600
Export market development program.....		50,000
Michigan agricultural surplus system.....		630,500
Michigan FFA association.....		80,000
Michigan 4-H foundation		20,000
GROSS APPROPRIATION.....	\$	2,311,900
Appropriated from:		
Federal revenues:		
DAG, multiple grants.....		199,000

Special revenue funds:		
Agriculture equine industry development fund.....	\$	100,000
Industry support funds.....		154,600
Nonretail liquor fees		608,000
State services fee fund		350,700
State general fund/general purpose	\$	899,600

Sec. 110. FAIRS AND EXPOSITIONS

Full-time equated classified positions.....	16.5	
Upper Peninsula state fair—7.0 FTE positions.....	\$	1,328,500
Fairs, racing and producer security—9.5 FTE positions		1,077,400
Building and track improvement - county and state fairs		963,200
Premiums - county and state fairs		1,614,000
Purses and supplements - fairs/licensed tracks		3,031,700
Quarterhorse programs		40,900
Licensed tracks - light horse racing.....		130,000
Standardbred breeders' awards.....		1,273,000
Standardbred purses and supplements - licensed tracks		2,305,700
Standardbred sire stakes		1,040,000
Thoroughbred sire stakes		1,063,100
Standardbred training and stabling		44,900
Thoroughbred program		3,092,400
Thoroughbred owners' awards.....		159,900
Distribution of outstanding winning tickets		700,000
GROSS APPROPRIATION.....	\$	17,864,700

Appropriated from:

Special revenue funds:		
Agriculture equine industry development fund.....		13,864,800
Industry support funds.....		30,000
Licensing and inspection fees.....		119,300
State services fee fund		2,522,100
Upper Peninsula state fair revenue		1,328,500
State general fund/general purpose	\$	0

Sec. 111. OFFICE OF RACING COMMISSIONER

Full-time equated classified positions.....	31.7	
Office of racing commissioner—31.7 FTE positions.....	\$	3,296,400
GROSS APPROPRIATION.....	\$	3,296,400

Appropriated from:

Special revenue funds:		
State services fee fund		3,296,400
State general fund/general purpose	\$	0

Sec. 112. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	1,469,600
GROSS APPROPRIATION.....	\$	1,469,600

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDLEG (LCC), liquor quality testing fees		2,800
Special revenue funds:		
Agricultural preservation fund		200
Agriculture equine industry development fund.....		154,900
Gasoline inspection and testing fund		27,000
Groundwater and freshwater protection fund.....		100
Nonretail liquor fees		500
State services fee fund		997,300
Upper Peninsula state fair revenue		900
State general fund/general purpose	\$	285,900

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 2005-2006 is \$76,109,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$3,316,800.00. 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		1,516,800
TOTAL	\$	3,316,800

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) "FFA" means future farmers of America.
- (f) "FTE" means full-time equated.
- (g) "HHS-FDA" means the United States department of health and human services - food and drug administration.
- (h) "IDG" means interdepartmental grant.
- (i) "MAEAP" means the Michigan agriculture environmental assurance program.
- (j) "MDCH" means the Michigan department of community health.
- (k) "MDLEG (LCC)" means the Michigan department of labor and economic growth - liquor control commission.
- (l) "MDEQ" means the Michigan department of environmental quality.
- (m) "MDNR" means the Michigan department of natural resources.

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

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

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

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

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

(2) In addition to the requirements in subsection (1), the purchase of goods or services, or both, if competitively priced and of comparable quality shall be Michigan goods or services, or both, if available. The department shall also

encourage the use of Michigan produced agricultural products by all state agencies and departments if competitively priced and of comparable quality and if available.

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

Sec. 212. (1) Of the funds appropriated in part 1, the department may provide for indemnity as provided for pursuant to the animal industry act of 1987, 1988 PA 466, MCL 287.701 to 287.745, not to exceed \$100,000.00 per order from any line item for the fiscal year ending September 30, 2006. Before the department provides for an indemnification under this section, the department shall report the reason for the indemnification, the amount of the indemnification, and to whom the indemnification is to be paid. The report shall be given to each member of the house and senate appropriations subcommittees on agriculture and to the senate and house fiscal agencies and the state budget director.

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

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

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

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

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

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.

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

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

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

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

EXECUTIVE

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

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

(a) Management services publications.

(b) Management services audit and licensing functions.

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

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

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

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

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

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

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

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

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

Sec. 304. From the funds appropriated in section 108, not less than \$3,800,000.00 shall be used for the motor fuel quality program to ensure motor fuel quality and quantity. Notwithstanding the provisions of section 205, the department shall hire additional field and laboratory staff for the motor fuel quality program.

FOOD AND DAIRY

Sec. 401. (1) The department shall monitor restaurant inspection and licensing functions carried out by local health departments to ensure uniform application and enforcement of minimum program requirements. On or before April 1, 2006, the department shall report to the senate and house appropriations subcommittees on agriculture, the senate and house fiscal agencies, and the state budget director on local health department conformance with minimum program requirements.

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

costs. The director shall involve the local health officer of the jurisdiction affected in all aspects of the control of any food-borne outbreak.

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

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

ANIMAL INDUSTRY

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

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

ENVIRONMENTAL STEWARDSHIP

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

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

(a) Of the total appropriation, each local conservation district meeting the minimum grant requirements shall receive a grant of \$19,200.00 to support basic operations, unless the district resides in a county consisting of multiple districts, in which case a \$19,200.00 grant shall be divided equally among the districts in that county. The amount of money allocated under this subdivision shall not be used by local conservation districts to replace any money received from local sources.

(b) Any amount remaining from the appropriation after distributions under subdivision (a) shall be allocated for local conservation district training.

AGRICULTURE DEVELOPMENT

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

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

Sec. 704. Indirect costs may not be charged against the FFA grant in section 109 by any administering agency. The grant shall not be used by the administering agency to supplant existing resources dedicated to the FFA organization. The grant only shall be used, awarded, or expended for additional leadership activities, awards, or training programs that encourage agriculture as a career.

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

FAIRS AND EXPOSITIONS

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

Sec. 802. (1) From the amount appropriated in section 110 for purses and supplements – fairs/licensed tracks, \$280,000.00 is to be used for state purse supplements at state licensed pari-mutuel tracks for races comprised only of Michigan-bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

(2) From the amount appropriated in section 110 for purses and supplements – fairs/licensed tracks, \$172,000.00 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	\$	32,500
Quarter horse racing		97,500

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

Sec. 804. From the funds appropriated in section 110 for thoroughbred owners' awards, 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 receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

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

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

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

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

Sec. 816. From the appropriation in section 110 for fairs, racing and producer security, \$20,000.00 shall be granted to the communications alliance to network thoroughbred ex-racehorses (CANTER) to support racehorse rehabilitation programs.

Sec. 817. The unexpended and unencumbered balance of the appropriation for building and track improvement – licensed tracks, contained in section 110 of 2004 PA 353 shall lapse to the Michigan agriculture equine industry development fund and shall be available for appropriation in the fiscal year ending September 30, 2006.

OFFICE OF RACING COMMISSIONER

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Ray E. Randall

Clerk of the House of Representatives

Approved

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Governor