

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 237

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to require reports, audits, and plans; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by certain state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

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, 2010, from the

1 funds indicated in this part. The following is a summary of the
 2 appropriations in this part:

3 **DEPARTMENT OF AGRICULTURE**

4 APPROPRIATION SUMMARY

5	Full-time equated unclassified positions.....	6.0	
6	Full-time equated classified positions.....	591.5	
7	GROSS APPROPRIATION.....		\$ 86,909,900
8	Interdepartmental grant revenues:		
9	IDG from MDELEG.....		400,000
10	IDG from MDELEG (LCC), liquor quality testing fees ...		191,900
11	IDG from MDEQ, biosolids.....		93,800
12	Total interdepartmental grants and intradepartmental		
13	transfers		685,700
14	ADJUSTED GROSS APPROPRIATION.....		\$ 86,224,200
15	Federal revenues:		
16	DAG, multiple grants.....		11,907,200
17	EPA, multiple grants.....		1,586,300
18	HHS-FDA.....		1,637,600
19	United States department of labor.....		400,000
20	Total federal revenues.....		15,531,100
21	Special revenue funds:		
22	Total local revenues.....		0
23	Private - slow-the-spread foundation.....		152,600
24	Private - commodity group revenue.....		90,600
25	Total private revenues.....		243,200
26	Agricultural preservation fund.....		3,400,000
27	Agriculture equine industry development fund.....		8,808,200

1	Agriculture pollution prevention fund.....	100
2	Commodity inspection fees.....	1,117,700
3	Consumer and industry food safety education fund.....	264,800
4	Dairy and food safety fund.....	2,974,300
5	Freshwater protection fund.....	5,230,600
6	Gasoline inspection and testing fund.....	2,735,800
7	Horticulture fund.....	82,000
8	Industry support funds.....	724,700
9	Licensing and inspection fees.....	4,142,300
10	Migrant housing inspection fees.....	100
11	Migratory labor housing fund.....	25,000
12	Nonretail liquor fees.....	682,800
13	Refined petroleum fund.....	3,454,900
14	State services fee fund.....	5,206,800
15	Testing fees.....	434,500
16	Weights and measures regulation fees.....	688,300
17	Total other state restricted revenues.....	39,972,900
18	State general fund/general purpose.....	\$ 30,477,000
19	Sec. 102. EXECUTIVE	
20	Full-time equated unclassified positions..... 6.0	
21	Full-time equated classified positions..... 41.5	
22	Commissions and boards.....	\$ 23,800
23	Unclassified positions--6.0 FTE positions.....	319,000
24	Executive direction--10.0 FTE positions.....	985,800
25	Management services--24.0 FTE positions.....	1,756,900
26	Statistical reporting service--1.0 FTE positions.....	146,000
27	Emergency management--6.5 FTE positions.....	<u>737,400</u>

1	GROSS APPROPRIATION.....	\$	3,968,900
2	Appropriated from:		
3	Federal revenues:		
4	HHS-FDA.....		500,000
5	Special revenue funds:		
6	Private - commodity group revenue.....		79,700
7	Agriculture equine industry development fund.....		90,000
8	Gasoline inspection and testing fund.....		66,300
9	Industry support funds.....		36,500
10	Nonretail liquor fees.....		8,800
11	Refined petroleum fund.....		54,700
12	State general fund/general purpose.....	\$	3,132,900
13	Sec. 103. DEPARTMENTWIDE		
14	Rent and building occupancy charges.....	\$	<u>421,200</u>
15	GROSS APPROPRIATION.....	\$	421,200
16	Appropriated from:		
17	Federal revenues:		
18	DAG, multiple grants.....		79,400
19	EPA, multiple grants.....		60,900
20	HHS-FDA.....		13,100
21	Special revenue funds:		
22	Agricultural preservation fund.....		23,900
23	Agriculture equine industry development fund.....		53,400
24	Freshwater protection fund.....		9,500
25	Licensing and inspection fees.....		59,100
26	Nonretail liquor fees.....		7,800
27	Refined petroleum fund.....		114,000

1	State general fund/general purpose	\$	100
2	Sec. 104. FOOD AND DAIRY		
3	Full-time equated classified positions.....	115.0	
4	Food safety and quality assurance--115.0 FTE positions	\$	<u>12,639,600</u>
5	GROSS APPROPRIATION.....	\$	12,639,600
6	Appropriated from:		
7	Federal revenues:		
8	DAG, multiple grants.....		58,300
9	HHS-FDA.....		412,200
10	Special revenue funds:		
11	Consumer and industry food safety education fund.....		264,800
12	Dairy and food safety fund.....		2,974,300
13	State general fund/general purpose	\$	8,930,000
14	Sec. 105. ANIMAL INDUSTRY		
15	Full-time equated classified positions.....	70.0	
16	Animal health and disease response.....	\$	<u>8,681,500</u>
17	GROSS APPROPRIATION.....	\$	8,681,500
18	Appropriated from:		
19	Federal revenues:		
20	DAG, multiple grants.....		1,178,200
21	HHS-FDA.....		73,000
22	Special revenue funds:		
23	Licensing and inspection fees.....		108,000
24	State general fund/general purpose	\$	7,322,300
25	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
26	Full-time equated classified positions.....	134.5	
27	Pesticide and plant pest management--110.0 FTE		

1	positions	\$	11,929,000
2	Emerald ash borer control program--24.5 FTE positions		<u>3,034,200</u>
3	GROSS APPROPRIATION.....	\$	14,963,200
4	Appropriated from:		
5	Federal revenues:		
6	DAG, multiple grants.....		4,568,300
7	EPA, multiple grants.....		919,200
8	HHS-FDA.....		96,300
9	Special revenue funds:		
10	Private - slow-the-spread foundation.....		152,600
11	Commodity inspection fees.....		1,117,700
12	Horticulture fund.....		82,000
13	Industry support funds.....		351,600
14	Licensing and inspection fees.....		3,660,500
15	State general fund/general purpose.....	\$	4,015,000
16	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
17	Full-time equated classified positions.....	51.0	
18	Environmental stewardship--27.0 FTE positions.....	\$	2,197,700
19	Groundwater and freshwater protection program--15.0		
20	FTE positions		5,255,100
21	Farmland and open space preservation--9.0 FTE		
22	positions		1,006,900
23	Agriculture pollution prevention program.....		1,000,100
24	Local conservation districts.....		300,000
25	Migrant labor housing.....		<u>425,100</u>
26	GROSS APPROPRIATION.....	\$	10,184,900
27	Appropriated from:		

1	Interdepartmental grant revenues:	
2	IDG from MDEQ, biosolids.....	93,800
3	Federal revenues:	
4	DAG, multiple grants.....	1,000,000
5	EPA, multiple grants.....	255,000
6	United States department of labor.....	400,000
7	Special revenue funds:	
8	Agricultural preservation fund.....	875,900
9	Agriculture pollution prevention fund.....	100
10	Freshwater protection fund.....	5,221,000
11	Migrant housing inspection fees.....	100
12	Migratory labor housing fund.....	25,000
13	State general fund/general purpose.....	\$ 2,314,000
14	Sec. 108. LABORATORY PROGRAM	
15	Full-time equated classified positions..... 131.0	
16	Laboratory services--63.0 FTE positions.....	\$ 5,933,100
17	USDA monitoring--17.0 FTE positions.....	2,171,700
18	Consumer protection program--51.0 FTE positions.....	<u>5,236,900</u>
19	GROSS APPROPRIATION.....	\$ 13,341,700
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG from MDELEG (LCC), liquor quality testing fees...	189,100
23	Federal revenues:	
24	DAG, multiple programs.....	2,193,700
25	EPA, multiple programs.....	351,200
26	HHS-FDA.....	543,000
27	Special revenue funds:	

1	Agriculture equine industry development fund.....		519,700
2	Gasoline inspection and testing fund.....		2,562,500
3	Licensing and inspection fees.....		76,300
4	Refined petroleum fund.....		3,286,200
5	Testing fees.....		434,500
6	Weights and measures regulation fees.....		688,300
7	State general fund/general purpose.....	\$	2,497,200
8	Sec. 109. AGRICULTURE DEVELOPMENT		
9	Full-time equated classified positions.....	9.0	
10	Agriculture development--6.0 FTE positions.....	\$	2,227,100
11	Grape and wine program--3.0 FTE positions.....		722,200
12	Export market development program.....		50,000
13	Michigan agricultural surplus system.....		<u>630,500</u>
14	GROSS APPROPRIATION.....	\$	3,629,800
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDG from MDELEG.....		400,000
18	Federal revenues:		
19	DAG, multiple grants.....		1,579,300
20	Special revenue funds:		
21	Private - commodity group revenue.....		10,900
22	Industry support funds.....		316,000
23	Nonretail liquor fees.....		665,700
24	State general fund/general purpose.....	\$	657,900
25	Sec. 110. FAIRS AND EXPOSITIONS		
26	Full-time equated classified positions.....	9.5	
27	Fairs, racing and producer security--9.5 FTE positions	\$	1,168,900

1	Premiums - county and state fairs	1,375,400
2	Building and track improvement - county and state	
3	fairs	480,000
4	Purses and supplements - fairs/licensed tracks	1,839,400
5	Licensed tracks - light horse racing	102,500
6	Standardbred breeders' awards	752,100
7	Standardbred purses and supplements - licensed tracks	1,388,800
8	Standardbred sire stakes	628,600
9	Standardbred training and stabling	27,900
10	Thoroughbred owners' awards	96,300
11	Thoroughbred program	1,862,800
12	Thoroughbred sire stakes	644,200
13	Distribution of outstanding winning tickets	<u>543,300</u>
14	GROSS APPROPRIATION	\$ 10,910,200
15	Appropriated from:	
16	Special revenue funds:	
17	Agriculture equine industry development fund	7,918,200
18	Industry support funds	20,600
19	Licensing and inspection fees	163,500
20	State services fee fund	2,506,900
21	State general fund/general purpose	\$ 301,000
22	Sec. 111. OFFICE OF RACING COMMISSIONER	
23	Full-time equated classified positions	30.0
24	Office of racing commissioner--30.0 FTE positions	\$ <u>2,700,000</u>
25	GROSS APPROPRIATION	\$ 2,700,000
26	Appropriated from:	
27	Special revenue funds:	

1	Agriculture equine industry development fund.....	100
2	State services fee fund.....	2,699,900
3	State general fund/general purpose.....	\$ 0
4	Sec. 112. INFORMATION AND TECHNOLOGY	
5	Information technology services and projects.....	\$ <u>1,718,900</u>
6	GROSS APPROPRIATION.....	\$ 1,718,900
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from MDLEG (LCC), liquor quality testing fees....	2,800
10	Special revenue funds:	
11	Agricultural preservation fund.....	200
12	Agriculture equine industry development fund.....	226,800
13	Gasoline inspection testing fund.....	107,000
14	Freshwater protection fund.....	100
15	Licensing and inspection fees.....	74,900
16	Nonretail liquor fees.....	500
17	State general fund/general purpose.....	\$ 1,306,600
18	Sec. 113. CAPITAL OUTLAY	
19	Farmland and open space development acquisition.....	\$ <u>3,750,000</u>
20	GROSS APPROPRIATION.....	\$ 3,750,000
21	Appropriated from:	
22	Federal revenues:	
23	DAG, multiple grants.....	1,250,000
24	Special revenue funds:	
25	Agriculture preservation fund.....	2,500,000
26	State general fund/general purpose.....	\$ 0

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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 2009-2010 is \$70,449,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$1,800,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE

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

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.

1 (g) "IDG" means interdepartmental grant.

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

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

5 (j) "MDELEG" means the Michigan department of energy, labor,
6 and economic growth.

7 (k) "MDELEG (LCC)" means the Michigan department of energy,
8 labor, and economic growth - liquor control commission.

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

11 (m) "MDHS" means the Michigan department of human services.

12 (n) "USDA" means the United States department of agriculture.

13 Sec. 204. The civil service commission shall bill departments
14 and agencies at the end of the first fiscal quarter for the charges
15 authorized by section 5 of article XI of the state constitution of
16 1963. Payments shall be made for the total amount of the billing by
17 the end of the second fiscal quarter.

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

25 (2) The state budget director may grant exceptions to this
26 hiring freeze when the state budget director believes that the
27 hiring freeze will result in rendering a state department or agency

1 unable to deliver basic services, causes loss of revenue to the
2 state, would result in the inability of the state to receive
3 federal funds, or would necessitate additional expenditures that
4 exceed any savings from maintaining a vacancy. The state budget
5 director shall report quarterly to the chairpersons of the senate
6 and house standing committees on appropriations the number of
7 exceptions to the hiring freeze approved during the previous
8 quarter and the reasons to justify the exception.

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

15 Sec. 209. Funds appropriated in part 1 shall not be used for
16 the purchase of foreign goods or services, or both, if
17 competitively priced and of comparable quality American goods or
18 services, or both, are available. Preference should be given to
19 goods or services, or both, manufactured or provided by Michigan
20 businesses, if they are competitively priced and of comparable
21 quality. In addition, preference should be given to goods or
22 services, or both, that are manufactured or provided by Michigan
23 businesses owned and operated by veterans, if they are
24 competitively priced and of comparable quality.

25 Sec. 210. The director shall take all reasonable steps to
26 ensure businesses in deprived and depressed communities compete for
27 and perform contracts to provide services or supplies, or both. The

1 director shall strongly encourage firms with which the department
2 contracts to subcontract with certified businesses in depressed and
3 deprived communities for services, supplies, or both.

4 Sec. 212. Of the funds appropriated in part 1, the department
5 may provide for indemnity as provided for pursuant to the animal
6 industry act, 1988 PA 466, MCL 287.701 to 287.745, not to exceed
7 \$100,000.00 per order from any line item for the fiscal year ending
8 September 30, 2010. Before the department provides for an
9 indemnification under this section, the department shall report the
10 reason for the indemnification, the amount of the indemnification,
11 and to whom the indemnification is to be paid. The report shall be
12 given to each member of the senate and house appropriations
13 subcommittees on agriculture and to the senate and house fiscal
14 agencies and the state budget director.

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

23 Sec. 215. From the funds appropriated in part 1, the
24 department shall use an amount not to exceed \$10,000.00 to develop,
25 post, and maintain, on a publicly accessible Internet site, all
26 expenditures made by the agency within a fiscal year. The posting
27 must include the purpose for which each expenditure is made. The

1 department shall not be required to hire additional employees to
2 comply with this section.

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

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

16 Sec. 223. (1) Due to the current budgetary problems in this
17 state, out-of-state travel shall be limited to situations in which
18 1 or more of the following conditions apply:

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

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

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

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

1 requirements.

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

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

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

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

16 (b) The destination of each travel occurrence.

17 (c) The dates of each travel occurrence.

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

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

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

27 Sec. 224. The department shall not take disciplinary action

1 against an employee for truthfully to the best of his or her
2 knowledge communicating with a member of the legislature or his or
3 her staff.

4 Sec. 225. In recognition of the important role it can play in
5 attracting large-scale agricultural events, it is the intent of the
6 legislature that the department of agriculture, in conjunction with
7 interested parties, explore opportunities to expand the facilities
8 and size of the Michigan State University pavilion for agriculture
9 and livestock education.

10 Sec. 228. (1) In addition to the funds appropriated in part 1,
11 there is appropriated an amount not to exceed \$5,000,000.00 for
12 federal contingency funds. These funds are not available for
13 expenditure until they have been transferred to another line item
14 in this act under section 393(2) of the management and budget act,
15 1984 PA 431, MCL 18.1393.

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

22 (3) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$100,000.00 for local
24 contingency funds. These funds are not available for expenditure
25 until they have been transferred to another line item in this act
26 under section 393(2) of the management and budget act, 1984 PA 431,
27 MCL 18.1393.

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

7 Sec. 229. (1) The department shall report no later than April
8 1, 2010 on each specific policy change made to implement a public
9 act affecting the department that took effect during the prior
10 calendar year to the senate and house appropriations subcommittees
11 on the budget for the department, the joint committee on
12 administrative rules, and the senate and house fiscal agencies.

13 (2) Funds appropriated in part 1 shall not be used by the
14 department to adopt a rule that will apply to a small business and
15 that will have a disproportionate economic impact on small
16 businesses because of the size of those businesses if the
17 department fails to reduce the disproportionate economic impact of
18 the rule on small businesses as provided under section 40 of the
19 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

20 (3) As used in this section:

21 (a) "Rule" means that term as defined under section 7 of the
22 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

23 (b) "Small business" means that term as defined under section
24 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
25 24.207a.

26 Sec. 230. Funds appropriated in part 1 shall not be used by a
27 principal executive department, state agency, or authority to hire

1 a person to provide legal services that are the responsibility of
2 the attorney general. This prohibition does not apply to legal
3 services for bonding activities and for those activities that the
4 attorney general authorizes.

5 Sec. 234. The department shall not approve the travel of more
6 than 1 departmental employee to a specific professional development
7 conference or training seminar that is located outside of this
8 state unless the professional development conference or training
9 seminar is funded by a federal or private funding source and
10 requires more than 1 person from a department to attend, or the
11 conference or training seminar includes multiple issues in which 1
12 employee from the department does not have expertise.

13 Sec. 235. Available funds from the appropriation in part 1 may
14 be provided to the C.S. Mott group for sustainable food systems at
15 Michigan State University to plan for and coordinate a matched
16 savings tool for Michigan's emerging farmers and to leverage
17 federal funds for the purpose of developing and enhancing local
18 markets for Michigan agricultural products.

19 Sec. 236. All appropriations in part 1 from the agriculture
20 equine industry development fund shall be spent for equine-related
21 purposes.

22 Sec. 237. Not later than September 30, 2010, the department
23 shall prepare and transmit a report that provides for estimates of
24 the total general fund/general purpose appropriation lapses at the
25 close of the fiscal year. This report shall summarize the projected
26 year-end general fund/general purpose appropriation lapses by major
27 departmental program or program areas. The report shall be

1 transmitted to the office of the state budget, the chairpersons of
2 the senate and house appropriations committees, and the senate and
3 house fiscal agencies.

4 Sec. 238. On a bimonthly basis, the department shall report on
5 the number of FTEs in pay status by civil service classification to
6 the house and senate appropriations subcommittees on agriculture
7 and the house and senate fiscal agencies.

8 **EXECUTIVE**

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

14 (a) Management services publications.

15 (b) Management services audit and licensing functions.

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

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

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

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

26 (g) Laboratory support analyses of food, livestock, and

1 agricultural products for disease, foreign products for disease,
2 toxic materials, foreign substances, and quality standards.

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

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

7 (2) The department shall notify the senate and house
8 appropriations subcommittees on agriculture and the senate and
9 house fiscal agencies 30 days prior to proposing changes in fees
10 authorized under this section or under section 5 of 1915 PA 91, MCL
11 285.35.

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

19 Sec. 304. (1) To ensure motor fuel quality and quantity, the
20 department shall maintain the motor fuel quality program and shall
21 not reduce program level of effort below that of the 2006-2007
22 fiscal year. Notwithstanding the provisions of section 205, the
23 department shall maintain field and laboratory staff for the motor
24 fuel quality program.

25 (2) On or before January 1 and every 6 months thereafter, the
26 department shall report to the senate and house appropriations
27 subcommittees on agriculture and the senate and house fiscal

1 agencies the results of both complaint-based and random-based
2 inspections, including the number of inspections performed, samples
3 collected, and compliance rates.

4 Sec. 306. From the funds appropriated in section 102, private
5 funds for agricultural statistics shall be used to match state
6 funds at not less than 50% of study costs.

7 **FOOD AND DAIRY**

8 Sec. 401. (1) The department shall monitor restaurant
9 inspection and licensing functions carried out by local health
10 departments to ensure uniform application and enforcement of
11 minimum program requirements. On or before April 1, 2009, the
12 department shall report to the senate and house appropriations
13 subcommittees on agriculture, the senate and house fiscal agencies,
14 and the state budget director on local health department
15 conformance with minimum program requirements.

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

22 Sec. 402. Not later than April 1, 2010, the department shall
23 provide a report to the senate and house appropriations
24 subcommittees on agriculture and the senate and house fiscal
25 agencies describing significant food-borne outbreaks and
26 emergencies including any enforcement actions taken related to food

1 safety during the 2008-2009 fiscal year.

2 Sec. 404. From the funds appropriated in section 104 for food
3 safety and quality assurance, not less than \$150,000.00 from the
4 consumer and industry food safety education fund shall be expended
5 for purposes required under section 4117 of the food law of 2000,
6 2000 PA 92, MCL 289.4117, including the statewide training and
7 education to consumers on food safety and the training and
8 education on food safety to food service establishment employees
9 and department employees and agents who enforce section 4117 of the
10 food law of 2000, 2000 PA 92, MCL 289.4117.

11 Sec. 406. Notwithstanding the provisions of section 205, the
12 department is authorized to fill open positions in the food and
13 dairy inspection program.

14 **ANIMAL INDUSTRY**

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

24 Sec. 451. From the funds appropriated in section 105 for
25 bovine tuberculosis, the department shall pay for all whole herd
26 testing costs and individual animal testing costs in the modified

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

4 Sec. 452. The department shall apply for all federal and
5 private funds for which it is eligible that can be used to support
6 the bovine tuberculosis program.

7 Sec. 455. The department shall prepare a plan to provide for
8 cattle without official identification that may arrive at a
9 saleyard. If an animal arrives untagged at a saleyard without
10 official identification, the saleyard may charge a fee for the tag
11 and for application. The tag may be purchased by and identified to
12 the saleyard. The saleyard shall maintain records for all animals
13 tagged on its premises. The department plan shall be in compliance
14 with the "Michigan Bovine TB Eradication Program - Application for
15 TB-Free/Modified Accredited Status", April 2007.

16 Sec. 456. Of the funds appropriated in part 1, no funds shall
17 be used to enforce the mandatory electronic animal identification
18 program for any domestic animals other than cattle until specific
19 procedures and guidelines for electronic animal identification are
20 outlined in statute.

21 Sec. 457. On or before October 15, 2009, and on a quarterly
22 basis thereafter, the department shall report to the senate and
23 house agriculture committees, the senate and house appropriations
24 subcommittees on agriculture, and the senate and house fiscal
25 agencies on the department's progress toward meeting the USDA
26 requirements as outlined in the March 2007 bovine TB program
27 review. The report shall include, but is not limited to,

1 information and data on: wildlife risk mitigation plan
2 implementation in the modified accredited zone; implementation of a
3 movement certificate process; progress toward annual surveillance
4 test requirements set out in the June 2007 MOU; compliance efforts
5 and rates for animals crossing the Mackinac Bridge; efforts to work
6 with slaughter facilities in Michigan, as well as those that
7 slaughter a significant number of animals from Michigan;
8 educational programs and information for Michigan's livestock
9 community; any other item the legislature should be aware of that
10 will promote or hinder efforts to achieve bovine TB-free status for
11 Michigan.

12 Sec. 458. From the funds appropriated in section 105 for
13 animal industry, the department shall provide inspection and
14 testing of aquaculture facilities and aquaculture researchers as
15 provided under the Michigan aquaculture development act, 1996 PA
16 199, MCL 286.877. It is the intent of the legislature that the
17 department shall work with aquaculture facilities and aquaculture
18 researchers to identify, contain, and eradicate viral hemorrhagic
19 septicemia in this state.

20 Sec. 459. Notwithstanding the provisions of section 205, the
21 department is authorized to fill open positions in the bovine
22 tuberculosis program.

23 **PESTICIDE AND PLANT PEST MANAGEMENT**

24 Sec. 551. It is the intent of the legislature that the
25 department work with the fruit and vegetable industry to ensure the
26 development of a sustainable system of third-party inspections of

1 fruits and vegetables.

2 **ENVIRONMENTAL STEWARDSHIP**

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

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

8 (a) Of the total appropriation, each local conservation
9 district meeting the minimum grant requirements shall receive a
10 grant of not more than \$11,605.00 to support basic operations. The
11 amount of money allocated under this subdivision shall not be used
12 by local conservation districts to replace any money received from
13 local sources.

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

17 Sec. 606. The department shall actively search for all
18 possible funding sources to be used to match federal funds in the
19 USDA environmental quality incentives program.

20 Sec. 607. It is the intent of the legislature that the
21 department continue its activities in support of intercounty
22 drainage districts as provided in chapter 5 of the drain code of
23 1956, 1956 PA 40, MCL 280.101 to 280.106.

24 Sec. 609. From the funds appropriated in section 107 for
25 environmental stewardship, not less than \$700,000.00 shall be
26 expended for inspection and licensing activities related to migrant

1 labor housing. The department shall work with the agriculture
2 industry to identify means and methods of sustaining the migrant
3 labor housing inspection program.

4 **AGRICULTURE DEVELOPMENT**

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

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

16 Sec. 706. Not later than April 1, 2010, the department shall
17 provide a report to the senate and house appropriations
18 subcommittees on agriculture and the senate and house fiscal
19 agencies describing the department's agriculture development and
20 export market development activities. The report shall identify
21 grants awarded during the prior fiscal year, including a
22 description of federal or private funds made available as a result
23 of department activities.

24 Sec. 707. In awarding grants from the agricultural development
25 fund created under the Julian-Stille value-added act, 2000 PA 322,
26 MCL 285.301 to 285.304, the department shall give due consideration

1 to the diversity of Michigan agriculture and its economic
2 importance.

3 Sec. 709. (1) Not later than April 1, 2010, the department
4 shall provide a report to the senate and house appropriations
5 subcommittees on agriculture and the senate and house fiscal
6 agencies describing the activities of the grape and wine industry
7 council established under section 303 of the Michigan liquor
8 control act of 1998, 1998 PA 58, MCL 436.1303.

9 (2) The report shall include all of the following:

10 (a) Council activities and accomplishments for the previous
11 fiscal year.

12 (b) Council expenditures for the previous fiscal year by
13 category of administration, industry support, research and
14 education grants, and promotion and consumer education.

15 (c) Grants awarded during the prior fiscal year and the
16 results of research grant projects completed during the prior
17 fiscal year.

18 Sec. 710. The department may match external funding for
19 domestic and international marketing programs for the purpose of
20 developing new and enhancing existing export markets for Michigan
21 agricultural products.

22 Sec. 711. In accordance with chapter 8B of the Michigan
23 strategic fund act, 1984 PA 270, MCL 125.2089 to 125.2089d, it is
24 the intent of the legislature that the Michigan strategic fund, its
25 employees, contract employees, and individuals working on its
26 behalf collaborate with the Michigan department of agriculture to
27 promote business development of Michigan agricultural products to

1 achieve outcomes that include, but are not limited to, increases in
2 export sales, increases in the number of retailers carrying
3 Michigan commodities both within and outside of this state, and
4 increased sales of Michigan products at chain grocers.

5 FAIRS AND EXPOSITIONS

6 Sec. 801. Within 60 days of the close of each fiscal quarter,
7 the department shall report to the state budget director, the
8 senate and house subcommittees on agriculture, and the senate and
9 house fiscal agencies on the agriculture equine industry
10 development fund established in section 20 of the horse racing law
11 of 1995, 1995 PA 279, MCL 431.320. The report shall do all of the
12 following:

13 (a) Identify actual revenue through the preceding fiscal
14 quarter and projected revenue and fund balance through the end of
15 the fiscal year.

16 (b) Identify simulcast racing revenue generated by each
17 licensed track, revenue from license fees, revenue generated from
18 the casino wagering tax, and revenue from other sources.

19 (c) Identify the spending targets or budgeted amounts from the
20 fund by line item for the fiscal year and compare the spending
21 targets to the appropriated amounts for each line item.

22 Sec. 802. From the amount appropriated in section 110 for
23 purses and supplements - fairs/licensed tracks, \$220,000.00 is to
24 be used for state purse supplements at state licensed pari-mutuel
25 tracks for races comprised only of Michigan-bred horses segregated
26 into a 4-year-old colt trot division, a 4-year-old filly trot

1 division, a 4-year-old colt pace division, and a 4-year-old filly
2 pace division.

3 Sec. 803. Included in the appropriation made in section 110
4 for the thoroughbred program is \$23,500.00 for the Michigan united
5 thoroughbred breeders and owners association to conduct a
6 thoroughbred yearling show. The Michigan united thoroughbred
7 breeders and owners association shall submit to the department an
8 itemized list of expenses showing that the expenses of the yearling
9 show were paid.

10 Sec. 804. From the funds appropriated in section 110 for
11 thoroughbred owners' awards, awards shall be distributed pursuant
12 to section 20 of the horse racing law of 1995, 1995 PA 279, MCL
13 431.320.

14 Sec. 805. All appropriations from the agriculture equine
15 industry development fund shall be reduced proportionately if
16 revenues to the agriculture equine industry development fund
17 decline during the fiscal year ending September 30, 2010 to a level
18 lower than the amount appropriated in part 1.

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

1 after it is submitted to the fair, the aggrieved person may file
2 the complaint with the department and the department shall
3 investigate the complaint and make a finding of fact regarding the
4 complaint and take appropriate action regarding the complaint.

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

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

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

22 Sec. 811. The funds appropriated in section 110 for
23 distribution of outstanding winning tickets are not available for
24 expenditure until they are deposited in the Michigan agriculture
25 equine industry development fund pursuant to section 2 of 1951 PA
26 90, MCL 431.252. These funds shall be expended in accordance with
27 section 2 of 1951 PA 90, MCL 431.252. The department shall provide

1 notice to the senate and house appropriations subcommittees on
2 agriculture at least 10 days before the funds are expended. This
3 notice shall include the amount that each program receives from the
4 outstanding winning ticket revenue deposited in the Michigan
5 agriculture equine industry development fund.

6 OFFICE OF RACING COMMISSIONER

7 Sec. 904. It is the intent of the legislature that the office
8 of racing commissioner no longer be designated as a type I agency
9 and be administered as part of the department for budgetary
10 savings.

11 CAPITAL OUTLAY

12 Sec. 1001. Of the amounts appropriated in part 1 for farmland
13 and open space development acquisition, the funds shall be used for
14 the purchase of development rights and the awarding of grants by
15 the agriculture preservation fund board under the natural resources
16 and environmental protection act, 1994 PA 451, MCL 324.101 to
17 324.90106.

18 Sec. 1002. (1) The director shall allocate lump-sum
19 appropriations made in this act consistent with statutory
20 provisions and the purposes for which funds were appropriated.
21 Lump-sum allocations shall address priority program or facility
22 needs and may include, but are not limited to, design,
23 construction, remodeling and addition, special maintenance, major
24 special maintenance, energy conservation, and demolition.

25 (2) The state budget director may authorize that funds

1 appropriated for lump-sum appropriations shall be available for no
2 more than 3 fiscal years following the fiscal year in which the
3 original appropriation was made. Any remaining balance from
4 allocations made in this section shall lapse to the fund from which
5 it was appropriated pursuant to the lapsing of funds as provided in
6 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

7 Sec. 1003. The appropriations in part 1 for capital outlay
8 shall be carried forward at the end of the fiscal year consistent
9 with the provisions of section 248 of the management and budget
10 act, 1984 PA 431, MCL 18.1248.