

SUBSTITUTE FOR  
HOUSE BILL NO. 4394

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2022; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2022, from the following funds:

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**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**

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**APPROPRIATION SUMMARY**

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Full-time equated unclassified positions	1.0
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Full-time equated classified positions	506.0
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1	<b>GROSS APPROPRIATION</b>		\$	<b>27,722,300</b>
2	Total interdepartmental grants and			
3	intradepartmental transfers			80,000
4				
	<b>ADJUSTED GROSS APPROPRIATIONS</b>		\$	<b>27,642,300</b>
6	Federal revenues:			
7	Total federal revenues			3,400,300
8	Special revenue funds:			
9	Total local revenues			0
10	Total private revenues			17,800
11	Total other state restricted revenues			11,051,600
12	<b>State general fund/general purpose</b>		\$	<b>13,172,600</b>
13	<b>Sec. 102. DEPARTMENTAL ADMINISTRATION AND</b>			
14	<b>SUPPORT</b>			
15	Full-time equated unclassified positions	1.0		
16	Full-time equated classified positions	27.0		
17	Unclassified salaries--FTE positions	1.0	\$	43,400
18	Accounting service center			257,300
19	Commissions and boards			6,000
20	Emergency management--FTEs	4.0		330,200
21	Executive direction--FTEs	23.0		805,600
22	Property management			183,900
23	<b>GROSS APPROPRIATION</b>		\$	<b>1,626,400</b>
24	Appropriated from:			
25	Federal revenues:			
26	HHS, multiple grants			111,900
27	Special revenue funds:			
28	Agriculture licensing and inspection fees			11,100

1	Dairy and food safety fund		25,100
2	Feed control fund		2,000
3	Fertilizer control fund		2,500
4	Freshwater protection fund		15,300
5	Gasoline inspection and testing fund		6,300
6	Industry support funds		13,900
7	Michigan craft beverage council fund		2,200
8	Private forestland enhancement fund		3,900
9	Refined petroleum fund		5,000
10	Weights and measures regulation fees		1,300
11	<b>State general fund/general purpose</b>	<b>\$</b>	<b>1,425,900</b>
12	<b>Sec. 103. INFORMATION AND TECHNOLOGY</b>		
13	Information technology services and projects	\$	578,200
14	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>578,200</b>
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	Special revenue funds:		
18	Agriculture licensing and inspection fees		22,900
19	Dairy and food safety fund		18,700
20	Feed control fund		3,800
21	Fertilizer control fund		3,800
22	Freshwater protection fund		3,800
23	Gasoline inspection and testing fund		8,100
24	<b>State general fund/general purpose</b>	<b>\$</b>	<b>517,100</b>
25	<b>Sec. 104. FOOD AND DAIRY</b>		
26	Full-time equated classified positions	129.0	
27	Food safety and quality assurance--FTEs	93.0	\$ 3,050,800
28	Milk safety and quality assurance--FTEs	36.0	1,438,000

1	<b>GROSS APPROPRIATION</b>		\$	<b>4,488,800</b>
2	Appropriated from:			
3	Federal revenues:			
4	HHS, multiple grants			685,400
5	USDA, multiple grants			34,300
6	Special revenue funds:			
7	Consumer and industry food safety education			
8	fund			60,600
9	Dairy and food safety fund			1,365,400
10	Industry food safety education fund			28,500
11	Marihuana regulatory fund			87,500
12	Marihuana regulation fund			87,500
13	<b>State general fund/general purpose</b>		\$	<b>2,139,600</b>
14	<b>Sec. 105. ANIMAL INDUSTRY</b>			
15	Full-time equated classified positions	62.0		
16	Animal disease prevention and response--FTEs	62.0	\$	2,405,800
17	Indemnification - livestock depredation			3,800
18	Alliance for animal agriculture			750,000
19	<b>GROSS APPROPRIATION</b>		\$	<b>3,159,600</b>
20	Appropriated from:			
21	Federal revenues:			
22	HHS, multiple grants			3,800
23	USDA, multiple grants			141,900
24	Special revenue funds:			
25	Agriculture licensing and inspection fees			18,000
26	Animal welfare fund			37,500
27	<b>State general fund/general purpose</b>		\$	<b>2,958,400</b>
28	<b>Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT</b>			

1	Full-time equated classified positions	95.0		
2	Animal feed safety--FTEs	10.0	\$	522,300
3	Pesticide and plant pest management--FTEs	85.0		3,543,000
4	<b>GROSS APPROPRIATION</b>		<b>\$</b>	<b>4,065,300</b>
5	Appropriated from:			
6	Federal revenues:			
7	EPA, multiple grants			141,100
8	HHS, multiple grants			97,500
9	USDA, multiple grants			179,200
10	Special revenue funds:			
11	Private - slow-the-spread foundation			5,300
12	Agriculture licensing and inspection fees			1,124,700
13	Commodity inspection fees			167,900
14	Feed control fund			346,900
15	Fertilizer control fund			334,200
16	Freshwater protection fund			39,400
17	Horticulture fund			17,500
18	Industrial hemp licensing and registration fund			167,700
19	Industry support funds			57,000
20	<b>State general fund/general purpose</b>		<b>\$</b>	<b>1,386,900</b>
21	<b>Sec. 107. ENVIRONMENTAL STEWARDSHIP</b>			
22	Full-time equated classified positions	62.5		
23	Agricultural preservation easement grants		\$	475,000
24	Environmental stewardship - MAEAP--FTEs	25.0		2,920,600
25	Farmland and open space preservation--FTEs	10.0		393,800
26	Intercounty drain--FTEs	6.0		210,500
27	Migrant labor housing--FTEs	9.0		331,000
28	Qualified forest program--FTEs	6.0		540,100

1	Right-to-farm--FTEs	6.5	249,800
2	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>5,120,800</b>
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	IDG from MDEGLE, biosolids		23,300
6	Federal revenues:		
7	Department of interior		24,100
8	EPA, multiple grants		140,500
9	USDA, multiple grants		330,600
10	Special revenue funds:		
11	Agricultural preservation fund		868,800
12	Freshwater protection fund		2,074,200
13	Migratory labor housing fund		35,000
14	Private forestland enhancement fund		270,000
15	<b>State general fund/general purpose</b>	<b>\$</b>	<b>1,354,300</b>
16	<b>Sec. 108. LABORATORY PROGRAM</b>		
17	Full-time equated classified positions	108.5	
18	Central licensing and customer call center--		
19	FTEs	12.5	\$ 359,900
20	Consumer protection program--FTEs	42.0	1,733,700
21	Laboratory services--FTEs	43.0	2,055,200
22	USDA monitoring--FTEs	11.0	419,400
23	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>4,568,200</b>
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	IDG from LARA (LCC), liquor quality testing		
27	fees		56,700
28	Federal revenues:		

1	EPA, multiple grants		45,200
2	HHS, multiple grants		387,500
3	USDA, multiple grants		419,700
4	Special revenue funds:		
5	Agriculture licensing and inspection fees		86,600
6	Dairy and food safety fund		128,600
7	Feed control fund		47,700
8	Fertilizer control fund		6,200
9	Freshwater protection fund		11,800
10	Gasoline inspection and testing fund		353,100
11	Grain dealers fee fund		2,000
12	Industrial hemp licensing and registration fund		79,700
13	Migratory labor housing fund		7,300
14	Refined petroleum fund		845,000
15	Testing fees		88,300
16	Weights and measures regulation fees		184,400
17	<b>State general fund/general purpose</b>	<b>\$</b>	<b>1,818,400</b>
18	<b>Sec. 109. AGRICULTURE DEVELOPMENT</b>		
19	Full-time equated classified positions	22.0	
20	Agriculture development--FTEs	13.0	\$ 1,190,200
21	Fair food network - double up food bucks		225,000
22	Food and agriculture investment program		617,700
23	Michigan craft beverage council--FTEs	3.0	230,200
24	Producer security/grain dealers--FTEs	5.0	185,100
25	Rural development fund grant program--FTE	1.0	501,200
26	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>2,949,400</b>
27	Appropriated from:		
28	Federal revenues:		

1	USDA, multiple grants		657,600
2	Special revenue funds:		
3	Private - commodity group revenue		12,500
4	Agriculture licensing and inspection fees		1,300
5	Grain dealers fee fund		174,100
6	Industry support funds		55,900
7	Michigan craft beverage council fund		222,700
8	Rural development fund		501,200
9	<b>State general fund/general purpose</b>	<b>\$</b>	<b>1,324,100</b>
10	<b>Sec. 110. FAIRS AND EXPOSITIONS</b>		
11	County fairs, shows, and expositions	\$	247,900
12	Fairs and racing		64,700
13	Horse racing advisory commission		100
14	Licensed tracks - light horse racing		10,100
15	Light horse racing - breeders' awards		5,000
16	Purses and supplements - fairs/licensed tracks		177,100
17	Standardbred breeders' awards		86,500
18	Standardbred purses and supplements - licensed		
19	tracks		168,000
20	Standardbred sire stakes		68,800
21	Thoroughbred breeders' awards		92,200
22	Thoroughbred sire stakes		94,700
23	Thoroughbred supplements - licensed tracks		150,500
24	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>1,165,600</b>
25	Appropriated from:		
26	Special revenue funds:		
27	Agriculture equine industry development fund		917,700
28	<b>State general fund/general purpose</b>	<b>\$</b>	<b>247,900</b>
29			



## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2021-2022 is \$24,224,200.00 and state spending from state sources to be paid to local units of government for fiscal year 2021-2022 is \$2,120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

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**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**


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Agriculture preservation easement grants	\$	475,000
Environmental stewardship/MAEAP		1,025,000
Qualified forest program		275,000
Rural development fund grant program		375,000
<b>TOTAL</b>	<b>\$</b>	<b>2,120,000</b>

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Sec. 202. The appropriations authorized under part 1 and this part are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in part 1 and this part:

(a) "Department" means the department of agriculture and rural development.

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

(c) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.

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

(e) "IDG" means interdepartmental grant.

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

(g) "MDEGLE" means the Michigan department of environment,

1 Great Lakes, and energy.

2 (h) "Subcommittees" means all members of the subcommittees of  
3 the house and senate appropriations committees with jurisdiction  
4 over the budget for the department.

5 (i) "TB" means tuberculosis.

6 (j) "USDA" means the United States Department of Agriculture.

7 Sec. 204. (1) The departments and agencies receiving  
8 appropriations in part 1 shall use the internet to fulfill the  
9 reporting requirements of this part. This requirement shall include  
10 transmission of reports via electronic mail to the recipients  
11 identified for each reporting requirement, and shall include  
12 placement of reports on an internet site.

13 (2) In fulfilling the reporting requirements of this part, the  
14 department shall notify report recipients when reports are posted  
15 to the department website.

16 Sec. 205. Funds appropriated in part 1 shall not be used for  
17 the purchase of foreign goods or services, or both, if  
18 competitively priced and of comparable quality American goods or  
19 services, or both, are available. Preference shall be given to  
20 goods or services, or both, manufactured or provided by Michigan  
21 businesses, if they are competitively priced and of comparable  
22 quality. In addition, preference shall be given to goods or  
23 services, or both, that are manufactured or provided by Michigan  
24 businesses owned and operated by veterans, if they are  
25 competitively priced and of comparable quality.

26 Sec. 206. The director shall take all reasonable steps to  
27 ensure businesses in deprived and depressed communities compete for  
28 and perform contracts to provide services or supplies, or both.  
29 Each director shall strongly encourage firms with which the

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

4 Sec. 207. The departments and agencies receiving  
5 appropriations in part 1 shall prepare a report on out-of-state  
6 travel expenses not later than January 1 of each year. The travel  
7 report shall be a listing of 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 house and senate appropriations committees, the  
12 house and senate fiscal agencies, and the state budget director.  
13 The report shall include the following information:

14 (a) The dates of each travel occurrence.

15 (b) The transportation and related costs of each travel  
16 occurrence, including the proportion funded with state general  
17 fund/general purpose revenues, the proportion funded with state  
18 restricted revenues, the proportion funded with federal revenues,  
19 and the proportion funded with other revenues.

20 Sec. 208. Funds appropriated in part 1 shall not be used by a  
21 principal executive department, state agency, or authority to hire  
22 a person to provide legal services that are the responsibility of  
23 the attorney general. This prohibition does not apply to legal  
24 services for bonding activities and for those outside services that  
25 the attorney general authorizes.

26 Sec. 209. Not later than November 30, the state budget office  
27 shall prepare and transmit a report that provides for estimates of  
28 the total general fund/general purpose appropriation lapses at the  
29 close of the prior fiscal year. This report shall summarize the

1 projected year-end general fund/general purpose appropriation  
2 lapses by major departmental program or program areas. The report  
3 shall be transmitted to the chairpersons of the senate and house of  
4 representatives standing committees on appropriations and the  
5 senate and house fiscal agencies.

6 Sec. 210. (1) In addition to the funds appropriated in part 1,  
7 there is appropriated an amount not to exceed \$3,000,000.00 for  
8 federal contingency authorization. These funds are not available  
9 for expenditure until they have been transferred to another line  
10 item in part 1 under section 393(2) of the management and budget  
11 act, 1984 PA 431, MCL 18.1393.

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

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

24 (4) In addition to the funds appropriated in part 1, there is  
25 appropriated an amount not to exceed \$100,000.00 for private  
26 contingency authorization. These funds are not available for  
27 expenditure until they have been transferred to another line item  
28 in part 1 under section 393(2) of the management and budget act,  
29 1984 PA 431, MCL 18.1393.

1           Sec. 211. The department shall cooperate with the department  
2 of technology, management, and budget to maintain a searchable  
3 website accessible by the public at no cost that includes, but is  
4 not limited to, all of the following for each department or agency:

5           (a) Fiscal year-to-date expenditures by category.

6           (b) Fiscal year-to-date expenditures by appropriation unit.

7           (c) Fiscal year-to-date payments to a selected vendor,  
8 including the vendor name, payment date, payment amount, and  
9 payment description.

10           (d) The number of active department employees by job  
11 classification.

12           (e) Job specifications and wage rates.

13           Sec. 212. Within 14 days after the release of the executive  
14 budget recommendation, the department shall cooperate with the  
15 state budget office to provide the senate and house appropriations  
16 chairs, the subcommittees, respectively, and the senate and house  
17 fiscal agencies with an annual report on estimated state restricted  
18 fund balances, state restricted fund projected revenues, and state  
19 restricted fund expenditures for the fiscal years ending September  
20 30, 2021 and September 30, 2022.

21           Sec. 213. The department shall maintain, on a publicly  
22 accessible website, a department scorecard that identifies, tracks,  
23 and regularly updates key metrics that are used to monitor and  
24 improve the agency's performance.

25           Sec. 214. Total authorized appropriations from all sources  
26 under part 1 for legacy costs for the fiscal year ending September  
27 30, 2022 is \$11,812,300.00. From this amount, total agency  
28 appropriations for pension-related legacy costs are estimated at  
29 \$6,617,900.00. Total agency appropriations for retiree health care

1 legacy costs are estimated at \$5,194,400.00.

2 Sec. 215. The department shall not take disciplinary action  
3 against an employee of the department or departmental agency in the  
4 state classified civil service because the employee communicates  
5 with a member of the senate or house or a member's staff, unless  
6 the communication is prohibited by law and the department or agency  
7 taking disciplinary action is exercising its authority as provided  
8 by law.

9 Sec. 216. (1) On a quarterly basis, the department shall  
10 report to the senate and house appropriations committees, the  
11 senate and house appropriations subcommittees on the department  
12 budget, and the senate and house fiscal agencies the following  
13 information:

14 (a) The number of FTEs in pay status by type of staff and  
15 civil service classification.

16 (b) A comparison by line item of the number of FTEs authorized  
17 from funds appropriated in part 1 to the actual number of FTEs  
18 employed by the department at the end of the reporting period.

19 (2) By April 1 of the current fiscal year and semiannually  
20 thereafter, the department shall report to the senate and house  
21 appropriations committees, the senate and house appropriations  
22 subcommittees on the department budget, and the senate and house  
23 fiscal agencies the following information:

24 (a) Number of employees that were engaged in remote work in  
25 2021.

26 (b) Number of employees authorized to work remotely and the  
27 actual number of those working remotely in the current reporting  
28 period.

29 (c) Estimated net cost savings achieved by remote work.

1 (d) Reduced use of office space associated with remote work.

2 Sec. 217. Appropriations in part 1 shall, to the extent  
3 possible by the department, not be expended until all existing work  
4 project authorization available for the same purposes is exhausted.

5 Sec. 218. If the state administrative board, acting under  
6 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount  
7 appropriated under this article, the legislature may, by a  
8 concurrent resolution adopted by a majority of the members elected  
9 to and serving in each house, intertransfer funds within this  
10 article for the particular department, board, commission, officer,  
11 or institution.

12 Sec. 219. The department and agencies receiving appropriations  
13 in part 1 shall receive and retain copies of all reports funded  
14 from appropriations in part 1. Federal and state guidelines for  
15 short-term and long-term retention of records shall be followed.  
16 The department may electronically retain copies of reports unless  
17 otherwise required by federal and state guidelines.

18 Sec. 220. The department shall report no later than April 1 on  
19 each specific policy change made to implement a public act  
20 affecting the department that took effect during the prior calendar  
21 year to the senate and house appropriations committees, the senate  
22 and house subcommittees on agriculture and rural development, the  
23 joint committee on administrative rules, and the senate and house  
24 fiscal agencies.

25 Sec. 221. (1) From the funds appropriated in part 1, the  
26 department shall do all of the following:

27 (a) Report to the house and senate appropriations committees,  
28 the house and senate fiscal agencies, the house and senate policy  
29 offices, and the state budget office any amount of severance pay

1 for a department director, deputy director, or other high-ranking  
2 department official not later than 14 days after a severance  
3 agreement with the director or official is signed. The name of the  
4 director or official and the amount of severance pay must be  
5 included in the report required by this subdivision.

6 (b) Maintain an internet site that posts any severance pay in  
7 excess of 6 weeks of wages, regardless of the position held by the  
8 former department employee receiving severance pay.

9 (c) By February 1, report to the house and senate  
10 appropriations subcommittees on the department budget, the house  
11 and senate fiscal agencies, the house and senate policy offices,  
12 and the state budget office on the total amount of severance pay  
13 remitted to former department employees during the fiscal year  
14 ending September 30, 2021 and the total number of former department  
15 employees that were remitted severance pay during the fiscal year  
16 ending September 30, 2021.

17 (2) As used in this section, "severance pay" means  
18 compensation that is both payable or paid upon the termination of  
19 employment and in addition to either wages or benefits earned  
20 during the course of employment or generally applicable retirement  
21 benefits.

22 Sec. 222. Any department, agency, board, commission,  
23 subdivision, or other executive branch entity or official of this  
24 state that receives funding under part 1 shall not do the  
25 following:

26 (a) Require as a condition of accessing any state services or  
27 facilities that an individual provide proof he or she has received  
28 a COVID-19 vaccine.

29 (b) Produce, develop, and issue a COVID-19 vaccine passport



1 for the purpose of certifying that an individual has received a  
2 COVID-19 vaccine.

3 (c) Provide information of an individual's COVID-19 vaccine  
4 status to any person, company, or governmental entity for inclusion  
5 in a COVID-19 vaccine passport.

6  
7 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

8 Sec. 301. (1) The department may establish a fee schedule and  
9 collect fees for the following work activities and services:

10 (a) Pesticide and plant pest management propagation and  
11 certification of virus-free foundation stock.

12 (b) Fruit and vegetable inspection and grading services at  
13 shipping and termination points and processing plants.

14 (c) Laboratory support analyses of food, livestock, and  
15 agricultural products for disease, foreign products for disease,  
16 toxic materials, foreign substances, and quality standards.

17 (d) Laboratory support test samples for other state and local  
18 agencies and public or private organizations.

19 (2) The department may receive and expend revenue from the  
20 fees authorized under subsection (1), subject to appropriation, for  
21 the purpose of recovering expenses associated with the work  
22 activities and services described in subsection (1). Fee revenue  
23 collected by the department under subsection (1) shall not lapse to  
24 the state general fund at the end of the fiscal year but shall  
25 carry forward for appropriation by the legislature in the  
26 subsequent fiscal year.

27 (3) The department shall notify the subcommittees, the fiscal  
28 agencies, and the state budget office 30 days prior to proposing  
29 changes in fees authorized under this section or under section 5 of

1 1915 PA 91, MCL 285.35.

2 (4) On or before February 1 of each year, the department shall  
3 provide a report to the subcommittees, the fiscal agencies, and the  
4 state budget office detailing all the fees charged by the  
5 department under the authorization provided in this section,  
6 including, but not limited to, rates, number of individuals paying  
7 each fee, and the revenue generated by each fee in the previous  
8 fiscal year.

9 Sec. 302. (1) The department may contract with or provide  
10 grants to local units of government, institutions of higher  
11 education, or nonprofit organizations to support activities  
12 authorized by appropriations in part 1. As used in this section,  
13 contracts and grants include, but are not limited to, contracts for  
14 delivery of groundwater/freshwater programs, MAEAP technical  
15 assistance, forest management, invasive species monitoring,  
16 wildlife risk mitigation, grants promoting proper pesticide  
17 disposal, and research grants for the purpose of enhancing the  
18 agricultural industries in this state.

19 (2) The department shall provide notice of contracts or grants  
20 authorized under this section to the subcommittees, the fiscal  
21 agencies, and the state budget office not later than 7 days before  
22 the department notifies contract or grant recipients.

23  
24 **FOOD AND DAIRY**

25 Sec. 401. (1) The department shall report on the previous  
26 fiscal year's activities of the food and dairy division. The report  
27 shall include information on activities and outcomes of the dairy  
28 safety and inspection program, the food safety inspection program,  
29 the foodborne illness and emergency response program, and the food

1 service program.

2 (2) The report shall include information on significant  
3 foodborne outbreaks and emergencies, including any significant  
4 enforcement actions taken related to food safety during the prior  
5 calendar year.

6 (3) The report shall be transmitted to the subcommittees, the  
7 fiscal agencies, and the state budget office and posted to the  
8 department's website on or before April 1 of each year.

9  
10 **ANIMAL INDUSTRY**

11 Sec. 451. From the funds appropriated in part 1 for bovine TB,  
12 the department shall pay for all whole herd testing costs and  
13 individual animal testing costs in the modified accredited zone and  
14 buffer counties to maintain split-state status requirements. These  
15 costs include indemnity and compensation for injury causing death  
16 or downer to animals.

17 Sec. 452. (1) The department shall report on the previous  
18 calendar year's activities of the animal industry division. The  
19 report shall be transmitted to the subcommittees, the fiscal  
20 agencies, and the state budget office and posted to the  
21 department's website on or before April 1 of each year.

22 (2) The department shall include in the report all  
23 indemnification payments for livestock depredation made in the  
24 previous calendar year and shall include all of the following:

25 (a) The reason for the indemnification.

26 (b) The amount of the indemnification.

27 (c) The person for whom the indemnification was paid.

28 Sec. 454. The department shall use its resources to  
29 collaborate with the USDA to monitor bovine TB, consistent with the

1 current required memoranda of understanding between the department  
2 and the USDA.

3 Sec. 457. (1) On or before October 15 of each year, the  
4 department shall provide to the subcommittees, the fiscal agencies,  
5 and the state budget office a report on bovine TB status and  
6 department activities.

7 (2) For each fiscal quarter following the report required in  
8 subsection (1), the department shall provide an update to the  
9 subcommittees, the fiscal agencies, and the state budget office.  
10 The quarterly update reports shall identify significant impacts to  
11 the program, including new incidence of bovine TB in this state,  
12 department activity associated with specific new incidence of  
13 bovine TB, any changes in USDA requirements or movement orders, and  
14 information and data on wildlife risk mitigation plan  
15 implementation in the modified accredited zone; implementation of a  
16 movement certificate process; progress toward annual surveillance  
17 test requirements; efforts to work with slaughter facilities in  
18 this state, as well as those that slaughter a significant number of  
19 animals from this state; and educational programs and information  
20 for this state's livestock community.

21 Sec. 458. From the funds appropriated in part 1 for Michigan  
22 animal agriculture alliance, the department shall work with animal  
23 industry representatives and state research universities to  
24 establish an animal research grant program.

25  
26 **PESTICIDE AND PLANT PEST MANAGEMENT**

27 Sec. 501. The department shall report on the previous calendar  
28 year's activities of the pesticide and plant pest management  
29 division. The report shall be transmitted to the subcommittees, the

1 fiscal agencies, and the state budget office and posted to the  
2 department's website on or before April 1 of each year.

3  
4 **ENVIRONMENTAL STEWARDSHIP**

5 Sec. 601. The funds appropriated in part 1 for environmental  
6 stewardship/MAEAP shall be used to support department agriculture  
7 pollution prevention programs, including groundwater and freshwater  
8 protection programs under part 87 of the natural resources and  
9 environmental protection act, 1994 PA 451, MCL 324.8701 to  
10 324.8717, and technical assistance in implementing conservation  
11 grants available under the federal farm bill of 2018.

12 Sec. 602. The department shall report on the previous calendar  
13 year's activities of the environmental stewardship division. The  
14 report shall be transmitted to the subcommittees, the fiscal  
15 agencies, and the state budget office and posted to the  
16 department's website on or before April 1 of each year.

17 Sec. 604. The department may receive and expend federal  
18 revenues up to a total of \$1,000,000.00 in excess of the federal  
19 revenue appropriated in section 107 of part 1 for environmental  
20 stewardship and MAEAP activities. The department shall notify the  
21 subcommittees, the fiscal agencies, and the state budget office  
22 prior to expending federal revenues authorized under this section.

23 Sec. 608. (1) The appropriations in part 1 for the qualified  
24 forest program are for the purpose of increasing the knowledge of  
25 nonindustrial private forestland owners of sound forest management  
26 practices and increasing the amount of commercial timber production  
27 from those lands.

28 (2) The department shall work in partnership with stakeholder  
29 groups and other state and federal agencies to increase the active

1 management of nonindustrial private forestland to foster the growth  
2 of Michigan's timber product industry.

3  
4 **LABORATORY PROGRAM**

5 Sec. 651. The department shall report on the previous calendar  
6 year's activities of the laboratory division. The report shall be  
7 transmitted to the subcommittees, the fiscal agencies, and the  
8 state budget office and posted to the department's website on or  
9 before April 1 of each year.

10  
11 **AGRICULTURE DEVELOPMENT**

12 Sec. 701. (1) From the funds appropriated in part 1 for the  
13 food and agriculture investment program, the department shall  
14 establish and administer a food and agriculture investment program.

15 (2) The food and agriculture investment program shall expand  
16 the Michigan food and agriculture sector, grow Michigan exports,  
17 promote the development of value-added agricultural production, food  
18 hubs, food incubators, and community-based processing facilities, and  
19 the expansion of farm markets and urban agriculture, including  
20 promotion of hoop houses, and increase food processing activities  
21 within the state by accelerating projects and infrastructure  
22 development that support growth in the food and agriculture  
23 processing industry.

24 (3) In addition to the funds appropriated in part 1, the  
25 department may receive and expend funds received from outside  
26 sources for the food and agriculture investment program.

27 (4) Before the allocation of funding, all projects shall  
28 receive approval from the Michigan commission of agriculture and  
29 rural development, except for projects selected through a

1 competitive process by a joint evaluation committee selected by the  
2 director and consisting of representatives that have agriculture,  
3 business, and economic development expertise. Projects funded  
4 through the food and agriculture investment program will be  
5 required to have a grant agreement that outlines milestones and  
6 activities that must be met in order to receive a disbursement of  
7 funds. Projects must also identify measurable project outcomes.

8 (5) The department shall include in the agriculture  
9 development annual report a report on the food and agriculture  
10 investment program for the previous fiscal year that includes a  
11 listing of the grantees, award amounts, match funding, project  
12 locations, and project outcomes.

13 (6) The food and agriculture investment program shall be  
14 administered by the department and provide support for food and  
15 agriculture projects that will enable growth in the industry and  
16 this state's economy.

17 (7) The unexpended funds appropriated in part 1 for the food  
18 and agriculture investment program are designated as a work project  
19 appropriation, and any unencumbered or unallotted funds shall not  
20 lapse at the end of the fiscal year and shall be available for  
21 expenditures for projects under this section until the projects  
22 have been completed. The following is in compliance with section  
23 451a(1) of the management and budget act, 1984 PA 431, MCL  
24 18.1451a:

25 (a) The purpose of the project is to promote and expand the  
26 Michigan food and agriculture sector, grow Michigan exports, and  
27 increase food processing activities within the state.

28 (b) The project will be funded in accordance with this section  
29 and the project guidelines approved by the Michigan commission of

1 agriculture and rural development prior to an award.

2 (c) The estimated cost of this project is identified in the  
3 appropriation line item.

4 (d) The tentative completion date for the work project is  
5 September 30, 2024.

6 (8) The department may expend money from the funds  
7 appropriated in part 1 for the food and agriculture investment  
8 program, including all of the following activities:

9 (a) Grants.

10 (b) Loans or loan guarantees.

11 (c) Infrastructure development.

12 (d) Other economic assistance.

13 (e) Program administration.

14 (f) Export assistance.

15 (9) The department shall expend no more than 5% from the funds  
16 appropriated in part 1 for the food and agriculture investment  
17 program for administrative purposes.

18 Sec. 702. The department shall work with the rural development  
19 fund board to establish a process and criteria for funding projects  
20 as well as establishing metrics and measurable outcomes for the  
21 program. Funds appropriated from the rural development fund shall  
22 be used in accordance with the provisions of the rural development  
23 fund act, 2012 PA 411, MCL 286.941 to 286.947.

24 Sec. 703. (1) The department shall work with the department of  
25 health and human services to do all of the following:

26 (a) Notify recipients of food assistance program benefits that  
27 food assistance program benefits can be accessed at many farmer's  
28 markets in this state with bridge cards.

29 (b) Notify recipients of food assistance program benefits



1 about the double up food bucks program that is administered by the  
2 fair food network. Food assistance program recipients shall receive  
3 information about the double up food bucks program, including  
4 information that explains that when program recipients spend up to  
5 \$20.00 at participating farmer's markets and grocery stores, the  
6 recipient can receive an additional \$20.00 to buy Michigan produce.

7 (2) The department shall work with the fair food network to  
8 expand access to the double up food bucks program in each of the  
9 state's counties with grocery stores or farmer's markets that meet  
10 the program's eligibility requirements.

11 (3) On or before March 1, 2022, the department shall submit a  
12 report on activities and outcomes of the double up food bucks  
13 program to the subcommittees and the fiscal agencies. The report  
14 shall contain all of the following:

15 (a) Counties in this state with participating double up food  
16 bucks vendors, the number of vendors by county, and the name and  
17 location of vendors, as of May 1, 2020.

18 (b) Counties in this state with participating double up food  
19 bucks vendors, the number of vendors by county, and the name of  
20 location of vendors, as of September 20, 2021. The report shall  
21 highlight counties and vendors added to the program since May 1,  
22 2020.

23 (c) Number of individuals participating in the program, by  
24 county.

25 (d) A breakdown of program participation by county and by day  
26 of week.

27 (4) The report required under subsection (3) shall also  
28 include a discussion of program evaluation criteria, as well as  
29 recommendation of a reporting metric for tracking health outcomes

1 of program participants.

2 Sec. 706. (1) The department shall report on the previous  
3 calendar year's activities of the agriculture development division.  
4 The report shall be transmitted to the subcommittees, the fiscal  
5 agencies, and the state budget office and posted to the  
6 department's website on or before April 1 of each year.

7 (2) The report shall include the following information on any  
8 grants awarded during the prior fiscal year:

9 (a) The name of the grantee.

10 (b) The amount of the grant.

11 (c) The purpose of the grant, including measurable outcomes.

12 (d) Additional state, federal, private, or local funds  
13 contributed to the grant project.

14 (e) The completion date of grant-funded activities.

15 (3) The report shall include the following information on the  
16 Michigan craft beverage council established under section 303 of  
17 the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

18 (a) Council activities and accomplishments for the previous  
19 fiscal year.

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

23 (c) Grants awarded during the previous fiscal year and the  
24 results of research grant projects completed during the previous  
25 fiscal year.

26  
27 **FAIRS AND EXPOSITIONS**

28 Sec. 801. All appropriations from the agriculture equine  
29 industry development fund shall be spent on equine-related

1 purposes. No funds from the agriculture equine industry development  
2 fund shall be expended for nonequine-related purposes without prior  
3 approval of the legislature.

4 Sec. 802. From the funds appropriated in part 1 from  
5 agriculture equine industry development funds, available revenue  
6 shall be allocated in the following priority order:

7 (a) To support all administrative, contractual, and regulatory  
8 costs incurred by the department and the Michigan gaming control  
9 board.

10 (b) Up to \$495,000.00 shall be allocated to the purses and  
11 supplements - fairs/licensed tracks line item.

12 (c) Any remaining funds collected through September 30, 2021,  
13 after the obligations in subdivisions (a) and (b) have been met,  
14 shall be prorated equally among the supplements, breeders' awards,  
15 and sire stakes awards to eligible race meeting licensees in  
16 accordance with section 20 of the horse racing law of 1995, 1995 PA  
17 279, MCL 431.320.

18 Sec. 805. (1) The department shall establish and administer a  
19 county fairs, shows, and expositions grant program. The program  
20 shall have the following objectives:

21 (a) Assist in the promotion of building improvements or other  
22 capital improvements at county fairgrounds of this state.

23 (b) Provide financial support, promotion, prizes, and premiums  
24 of equine, livestock, and other agricultural commodity expositions  
25 in this state.

26 (2) The department shall award grants on a competitive basis  
27 to county fairs or other organizations from the funds appropriated  
28 in part 1 for county fairs, shows, and expositions grants. Grantees  
29 will be required to provide a 50% cash match with grant awards and

1 identify measurable project outcomes. A county fair organization  
2 that received a county fair capital improvement grant in the prior  
3 fiscal year shall not receive a grant from the appropriation in  
4 part 1.

5 (3) From the amount appropriated in part 1 for county fairs,  
6 shows, and expositions, up to \$25,000.00 shall be expended for the  
7 purpose of financial support, promotion, prizes, and premiums of  
8 equine, livestock, and other agricultural commodity expositions in  
9 this state, and festivals.

10 (4) All fairs receiving grants under this section shall  
11 provide a report to the department on the financial impact  
12 resulting from the capital improvement project on both fair and  
13 nonfair events. These reports are due for 3 years immediately  
14 following the completion of the capital improvement project.

15 (5) The department shall identify criteria, evaluate  
16 applications, and provide recommendations to the director for final  
17 approval of grant awards.

18 (6) The department may expend money from the funds  
19 appropriated in part 1 for the county fairs, shows, and expositions  
20 grants for administering the program.

21 (7) The unexpended portion of the county fairs, shows, and  
22 expositions grants is considered a work project appropriation in  
23 accordance with section 451a of the management and budget act, 1984  
24 PA 431, MCL 18.1451a. The following apply to the project:

25 (a) The purpose of the project is to support building  
26 improvements or other capital improvements at county fairgrounds of  
27 this state.

28 (b) All grants will be distributed in accordance with this  
29 section and the grant guidelines published prior to the request for

1 proposals.

2 (c) The estimated cost of the project is identified in the  
3 appropriation line item.

4 (d) The tentative completion date for the work project is  
5 September 30, 2024.

6 (8) The department shall provide a year-end report on the  
7 county fairs, shows, and expositions grants no later than December  
8 1, 2022 to the subcommittees, the fiscal agencies, and the state  
9 budget director that includes a listing of the grantees, award  
10 amounts, match funding, and project outcomes.