

**SUBSTITUTE FOR
SENATE BILL NO. 77**

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:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
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1	Full-time equated classified positions	440.1	
2	GROSS APPROPRIATION		\$ 122,277,300
3	Total interdepartmental grants and		
4	intradepartmental transfers		320,000
5	ADJUSTED GROSS APPROPRIATIONS		\$ 121,957,300
6	Federal revenues:		
7	Total federal revenues		13,599,800
8	Special revenue funds:		
9	Total local revenues		0
10	Total private revenues		71,300
11	Total other state restricted revenues		44,152,300
12	State general fund/general purpose		\$ 64,133,900
13	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
14	SUPPORT		
15	Full-time equated unclassified positions	6.0	
16	Full-time equated classified positions	25.4	
17	Unclassified salaries--FTE positions	6.0	\$ 599,900
18	Accounting service center		1,029,200
19	Commissions and boards		23,800
20	Emergency management--FTEs	6.6	1,320,700
21	Executive direction--FTEs	18.8	3,222,200
22	Property management		735,700
23	GROSS APPROPRIATION		\$ 6,931,500
24	Appropriated from:		
25	Federal revenues:		
26	HHS, multiple grants		447,400
27	Special revenue funds:		
28	Agriculture licensing and inspection fees		44,400

1	Dairy and food safety fund		100,300
2	Feed control fund		8,100
3	Fertilizer control fund		10,000
4	Freshwater protection fund		61,000
5	Gasoline inspection and testing fund		25,000
6	Industry support funds		55,600
7	Michigan craft beverage council fund		8,800
8	Private forestland enhancement fund		15,600
9	Refined petroleum fund		20,000
10	Weights and measures regulation fees		5,000
11	State general fund/general purpose	\$	6,130,300
12	Sec. 103. INFORMATION AND TECHNOLOGY		
13	Information technology services and projects	\$	2,312,800
14	GROSS APPROPRIATION	\$	2,312,800
15	Appropriated from:		
16	Special revenue funds:		
17	Agriculture licensing and inspection fees		91,400
18	Dairy and food safety fund		74,800
19	Feed control fund		15,000
20	Fertilizer control fund		15,000
21	Freshwater protection fund		15,000
22	Gasoline inspection and testing fund		32,400
23	State general fund/general purpose	\$	2,069,200
24	Sec. 104. FOOD AND DAIRY		
25	Full-time equated classified positions	124.7	
26	Food safety and quality assurance--FTEs	85.3	\$ 18,103,300
27	Milk safety and quality assurance--FTEs	39.4	5,752,100
28	GROSS APPROPRIATION	\$	23,855,400

1	Appropriated from:		
2	Federal revenues:		
3	HHS, multiple grants		2,741,600
4	USDA, multiple grants		137,100
5	Special revenue funds:		
6	Consumer and industry food safety education		
7	fund		242,500
8	Dairy and food safety fund		5,411,600
9	Industry food safety education fund		114,100
10	Marihuana regulatory fund		350,000
11	Marihuana regulation fund		350,000
12	State general fund/general purpose	\$	14,508,500
13	Sec. 105. ANIMAL INDUSTRY		
14	Full-time equated classified positions	51.8	
15	Animal disease prevention and response--FTEs	51.8	\$ 9,623,100
16	Indemnification - livestock depredation		15,000
17	Michigan animal agriculture alliance		3,000,000
18	GROSS APPROPRIATION	\$	12,638,100
19	Appropriated from:		
20	Federal revenues:		
21	HHS, multiple grants		15,100
22	USDA, multiple grants		567,400
23	Special revenue funds:		
24	Agriculture licensing and inspection fees		71,800
25	Animal welfare fund		150,000
26	State general fund/general purpose	\$	11,833,800
27	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT		
28	Full-time equated classified positions	79.9	

1	Animal feed safety--FTEs	10.0	\$	2,089,200
2	Pesticide and plant pest management--FTEs	69.9		14,172,100
3	GROSS APPROPRIATION		\$	16,261,300
4	Appropriated from:			
5	Federal revenues:			
6	EPA, multiple grants			564,200
7	HHS, multiple grants			389,900
8	USDA, multiple grants			716,900
9	Special revenue funds:			
10	Private - slow-the-spread foundation			21,300
11	Agriculture licensing and inspection fees			4,498,800
12	Commodity inspection fees			671,400
13	Feed control fund			1,387,500
14	Fertilizer control fund			1,336,700
15	Freshwater protection fund			157,500
16	Horticulture fund			70,000
17	Industrial hemp licensing and registration fund			670,600
18	Industry support funds			228,100
19	State general fund/general purpose		\$	5,548,400
20	Sec. 107. ENVIRONMENTAL STEWARDSHIP			
21	Full-time equated classified positions	52.7		
22	Agricultural preservation easement grants		\$	1,900,000
23	Local conservation districts			3,000,000
24	Environmental stewardship--FTEs	2.0		450,000
25	Farmland and open space preservation--FTEs	7.7		1,575,000
26	Intercounty drain--FTEs	3.9		842,000
27	MAEAP--FTEs	16.4		11,232,200
28	Migrant labor housing--FTEs	8.5		1,324,000

1	Qualified forest program--FTEs	8.1	2,651,700
2	Right-to-farm--FTEs	6.1	999,100
3	GROSS APPROPRIATION	\$	23,974,000
4	Appropriated from:		
5	Interdepartmental grant revenues:		
6	IDG from MDEGLE, biosolids		93,100
7	Federal revenues:		
8	Department of interior		96,300
9	EPA, multiple grants		562,100
10	USDA, multiple grants		1,322,300
11	Special revenue funds:		
12	Agricultural preservation fund		3,475,000
13	Freshwater protection fund		8,296,900
14	Migratory labor housing fund		140,100
15	Private forestland enhancement fund		1,080,100
16	State general fund/general purpose	\$	8,908,100
17	Sec. 108. LABORATORY PROGRAM		
18	Full-time equated classified positions	89.3	
19	Central licensing and customer call center--		
20	FTEs	11.0	\$ 1,439,500
21	Consumer protection program--FTEs	38.2	6,934,600
22	Laboratory services--FTEs	29.4	8,220,900
23	USDA monitoring--FTEs	10.7	1,677,500
24	GROSS APPROPRIATION	\$	18,272,500
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG from LARA (LCC), liquor quality testing		
28	fees		226,900

1	Federal revenues:		
2	EPA, multiple grants		180,600
3	HHS, multiple grants		1,549,900
4	USDA, multiple grants		1,678,700
5	Special revenue funds:		
6	Agriculture licensing and inspection fees		346,400
7	Dairy and food safety fund		514,300
8	Feed control fund		190,900
9	Fertilizer control fund		24,600
10	Freshwater protection fund		47,000
11	Gasoline inspection and testing fund		1,412,400
12	Grain dealers fee fund		7,900
13	Industrial hemp licensing and registration fund		318,700
14	Migratory labor housing fund		29,300
15	Refined petroleum fund		3,379,800
16	Testing fees		353,200
17	Weights and measures regulation fees		737,700
18	State general fund/general purpose	\$	7,274,200
19	Sec. 109. AGRICULTURE DEVELOPMENT		
20	Full-time equated classified positions	16.3	
21	Agriculture development--FTEs	10.7	\$ 4,760,900
22	Food and agriculture investment program		3,210,600
23	Michigan craft beverage council--FTEs	1.2	920,900
24	Producer security/grain dealers--FTEs	3.5	740,300
25	Rural development fund grant program--FTE	0.9	2,004,800
26	GROSS APPROPRIATION	\$	11,637,500
27	Appropriated from:		
28	Federal revenues:		

1	USDA, multiple grants		2,630,300
2	Special revenue funds:		
3	Private - commodity group revenue		50,000
4	Agriculture licensing and inspection fees		5,100
5	Grain dealers fee fund		696,400
6	Industry support funds		223,600
7	Michigan craft beverage council fund		890,900
8	Rural development fund		2,004,800
9	State general fund/general purpose	\$	5,136,400
10	Sec. 110. FAIRS AND EXPOSITIONS		
11	County fairs, shows, and expositions	\$	2,500,000
12	Fairs and racing		258,600
13	Licensed tracks - light horse racing		40,300
14	Light horse racing - breeders' awards		20,000
15	Purses and supplements - fairs/licensed tracks		708,300
16	Standardbred breeders' awards		345,900
17	Standardbred purses and supplements - licensed		
18	tracks		671,800
19	Standardbred sire stakes		275,000
20	Thoroughbred breeders' awards		368,600
21	Thoroughbred sire stakes		378,800
22	Thoroughbred supplements - licensed tracks		601,900
23	GROSS APPROPRIATION	\$	6,169,200
24	Appropriated from:		
25	Special revenue funds:		
26	Agriculture equine industry development fund		3,669,200
27	State general fund/general purpose	\$	2,500,000
28	Sec. 111. ONE-TIME ONLY APPROPRIATIONS		

Farm stress program	\$	225,000
GROSS APPROPRIATION	\$	225,000
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	\$	225,000

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 \$108,286,200.00 and state spending from state sources to be paid to local units of government for fiscal year 2021-2022 is \$11,800,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Agriculture preservation easement grants	\$	1,900,000
Environmental stewardship/MAEAP		4,100,000
Local conservation districts		3,000,000
Qualified forest program		1,400,000
Rural development fund grant program		1,400,000
TOTAL	\$	11,800,000

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.

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

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

4 (e) "IDG" means interdepartmental grant.

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

7 (g) "MDEGLE" means the Michigan department of environment,
8 Great Lakes, and energy.

9 (h) "Subcommittees" means all members of the subcommittees of
10 the house and senate appropriations committees with jurisdiction
11 over the budget for the department.

12 (i) "TB" means tuberculosis.

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

14 Sec. 204. (1) The departments and agencies receiving
15 appropriations in part 1 shall use the internet to fulfill the
16 reporting requirements of this part. This requirement shall include
17 transmission of reports via email to the recipients identified for
18 each reporting requirement, and shall include placement of reports
19 on an internet site.

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

23 Sec. 205. Funds appropriated in part 1 shall not be used for
24 the purchase of foreign goods or services, or both, if
25 competitively priced and of comparable quality American goods or
26 services, or both, are available. Preference shall be given to
27 goods or services, or both, manufactured or provided by Michigan
28 businesses, if they are competitively priced and of comparable
29 quality. In addition, preference shall be given to goods or

1 services, or both, that are manufactured or provided by Michigan
2 businesses owned and operated by veterans, if they are
3 competitively priced and of comparable quality.

4 Sec. 206. The director shall take all reasonable steps to
5 ensure businesses in deprived and depressed communities compete for
6 and perform contracts to provide services or supplies, or both.
7 Each director shall strongly encourage firms with which the
8 department contracts to subcontract with certified businesses in
9 depressed and deprived communities for services or supplies, or
10 both.

11 Sec. 207. The departments and agencies receiving
12 appropriations in part 1 shall prepare a report on out-of-state
13 travel expenses not later than January 1 of each year. The travel
14 report shall be a listing of all travel by classified and
15 unclassified employees outside this state in the immediately
16 preceding fiscal year that was funded in whole or in part with
17 funds appropriated in the department's budget. The report shall be
18 submitted to the house and senate appropriations committees, the
19 house and senate fiscal agencies, and the state budget director.
20 The report shall include the following information:

21 (a) The dates of each travel occurrence.

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

27 Sec. 208. Funds appropriated in part 1 shall not be used by a
28 principal executive department, state agency, or authority to hire
29 a person to provide legal services that are the responsibility of

1 the attorney general. This prohibition does not apply to legal
2 services for bonding activities and for those outside services that
3 the attorney general authorizes.

4 Sec. 209. Not later than November 30, the state budget office
5 shall prepare and transmit a report that provides for estimates of
6 the total general fund/general purpose appropriation lapses at the
7 close of the prior fiscal year. This report shall summarize the
8 projected year-end general fund/general purpose appropriation
9 lapses by major departmental program or program areas. The report
10 shall be transmitted to the chairpersons of the senate and house of
11 representatives standing committees on appropriations and the
12 senate and house fiscal agencies.

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

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

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

19 (c) Fiscal year-to-date payments to a selected vendor,
20 including the vendor name, payment date, payment amount, and
21 payment description.

22 (d) The number of active department employees by job
23 classification.

24 (e) Job specifications and wage rates.

25 Sec. 212. Within 14 days after the release of the executive
26 budget recommendation, the department shall cooperate with the
27 state budget office to provide the senate and house appropriations
28 chairs, the subcommittees, respectively, and the senate and house
29 fiscal agencies with an annual report on estimated state restricted

1 fund balances, state restricted fund projected revenues, and state
2 restricted fund expenditures for the fiscal years ending September
3 30, 2021 and September 30, 2022.

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

8 Sec. 214. Total authorized appropriations from all sources
9 under part 1 for legacy costs for the fiscal year ending September
10 30, 2022 is \$11,812,300.00. From this amount, total agency
11 appropriations for pension-related legacy costs are estimated at
12 \$6,617,900.00. Total agency appropriations for retiree health care
13 legacy costs are estimated at \$5,194,400.00.

14 Sec. 215. The department shall not take disciplinary action
15 against an employee of the department or departmental agency in the
16 state classified civil service because the employee communicates
17 with a member of the senate or house or a member's staff, unless
18 the communication is prohibited by law and the department or agency
19 taking disciplinary action is exercising its authority as provided
20 by law.

21 Sec. 216. (1) On a quarterly basis, the department shall
22 report to the senate and house appropriations committees, the
23 senate and house appropriations subcommittees on the department
24 budget, and the senate and house fiscal agencies the following
25 information:

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

28 (b) A comparison by line item of the number of FTEs authorized
29 from funds appropriated in part 1 to the actual number of FTEs

1 employed by the department at the end of the reporting period.

2 (2) By April 1 of the current fiscal year and semiannually
3 thereafter, the department shall report to the senate and house
4 appropriations committees, the senate and house appropriations
5 subcommittees on the department budget, and the senate and house
6 fiscal agencies the following information:

7 (a) Number of employees that were engaged in remote work in
8 2021.

9 (b) Number of employees authorized to work remotely and the
10 actual number of those working remotely in the current reporting
11 period.

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

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

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

17 Sec. 218. If the state administrative board, acting under
18 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
19 appropriated under this article, the legislature may, by a
20 concurrent resolution adopted by a majority of the members elected
21 to and serving in each house, intertransfer funds within this
22 article for the particular department, board, commission, officer,
23 or institution.

24 Sec. 220. The department shall report no later than April 1 on
25 each specific policy change made to implement a public act
26 affecting the department that took effect during the prior calendar
27 year to the senate and house appropriations committees, the senate
28 and house subcommittees on agriculture and rural development, the
29 joint committee on administrative rules, and the senate and house

1 fiscal agencies.

2
3 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

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

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

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

10 (c) Laboratory support analyses of food, livestock, and
11 agricultural products for disease, foreign products for disease,
12 toxic materials, foreign substances, and quality standards.

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

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

23 (3) The department shall notify the subcommittees, the fiscal
24 agencies, and the state budget office 30 days prior to proposing
25 changes in fees authorized under this section or under section 5 of
26 1915 PA 91, MCL 285.35.

27 (4) On or before February 1 of each year, the department shall
28 provide a report to the subcommittees, the fiscal agencies, and the
29 state budget office detailing all the fees charged by the

1 department under the authorization provided in this section,
2 including, but not limited to, rates, number of individuals paying
3 each fee, and the revenue generated by each fee in the previous
4 fiscal year.

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

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

19
20 **FOOD AND DAIRY**

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

27 (2) The report shall include information on significant
28 foodborne outbreaks and emergencies, including any significant
29 enforcement actions taken related to food safety during the prior

1 calendar year.

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

5
6 **ANIMAL INDUSTRY**

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

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

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

21 (a) The reason for the indemnification.

22 (b) The amount of the indemnification.

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

24 Sec. 454. The department shall use its resources to
25 collaborate with the USDA to monitor bovine TB, consistent with the
26 current memorandum of understanding between the department and the
27 USDA.

28 Sec. 457. (1) On or before October 15 of each year, the
29 department shall provide to the subcommittees, the fiscal agencies,

1 and the state budget office a report on bovine TB status and
2 department activities.

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

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

23 24 **PESTICIDE AND PLANT PEST MANAGEMENT**

25 Sec. 501. The department shall report on the previous calendar
26 year's activities of the pesticide and plant pest management
27 division. The report shall be transmitted to the subcommittees, the
28 fiscal agencies, and the state budget office and posted to the
29 department's website on or before April 1 of each year.

ENVIRONMENTAL STEWARDSHIP

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

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

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

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

(2) The department shall work in partnership with stakeholder groups and other state and federal agencies to increase the active management of nonindustrial private forestland to foster the growth of Michigan's timber product industry.

1 Sec. 609. The appropriations in part 1 for local conservation
2 districts shall be distributed in equal amounts to local
3 conservation districts in the state that were in operation as of
4 April 15, 2021.

5 Sec. 610. From the funds appropriated in part 1, the department
6 shall coordinate with the department of treasury to improve the timely
7 processing and issuance of tax credits under section 36109 of the natural
8 resources and environmental protection act, 1994 PA 451, MCL 324.36109,
9 for the Michigan's farmland and open space preservation program under
10 parts 361 and 362 of the natural resources and environmental protection
11 act, 1994 PA 451, MCL 324.36101 to 324.3116 and 324.36201 to 324.36207.
12 This includes, but is not limited to:

13 (a) Timely review of mailed applications and paperwork.

14 (b) Timely and proactive communications to applicants on the status
15 of their application.

16 (c) A clear and understood timeline for the issuance of any tax
17 credits.

18 19 **LABORATORY PROGRAM**

20 Sec. 651. The department shall report on the previous calendar
21 year's activities of the laboratory division. The report shall be
22 transmitted to the subcommittees, the fiscal agencies, and the
23 state budget office and posted to the department's website on or
24 before April 1 of each year.

25 26 **AGRICULTURE DEVELOPMENT**

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

1 (2) The food and agriculture investment program shall expand
2 the Michigan food and agriculture sector, grow Michigan exports,
3 promote the development of value-added agricultural production, food
4 hubs, food incubators, and community-based processing facilities with
5 a focus on new and expanding protein processors, and the expansion of
6 farm markets and urban agriculture, including promotion of hoop
7 houses, and increase food processing activities within the state by
8 accelerating projects and infrastructure development that support
9 growth in the food and agriculture processing industry.

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

13 (4) Before the allocation of funding, all projects shall
14 receive approval from the Michigan commission of agriculture and
15 rural development, except for projects selected through a
16 competitive process by a joint evaluation committee selected by the
17 director and consisting of representatives that have agriculture,
18 business, and economic development expertise. Projects funded
19 through the food and agriculture investment program will be
20 required to have a grant agreement that outlines milestones and
21 activities that must be met in order to receive a disbursement of
22 funds. Projects must also identify measurable project outcomes.

23 (5) The department shall include in the agriculture
24 development annual report a report on the food and agriculture
25 investment program for the previous fiscal year that includes a
26 listing of the grantees, award amounts, match funding, project
27 locations, and project outcomes.

28 (6) The food and agriculture investment program shall be
29 administered by the department and provide support for food and

1 agriculture projects that will enable growth in the industry and
2 this state's economy.

3 (7) The unexpended funds appropriated in part 1 for the food
4 and agriculture investment program are designated as a work project
5 appropriation, and any unencumbered or unallotted funds shall not
6 lapse at the end of the fiscal year and shall be available for
7 expenditures for projects under this section until the projects
8 have been completed. The following is in compliance with section
9 451a(1) of the management and budget act, 1984 PA 431, MCL
10 18.1451a:

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

14 (b) The project will be funded in accordance with this section
15 and the project guidelines approved by the Michigan commission of
16 agriculture and rural development prior to an award.

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

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

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

24 (a) Grants.

25 (b) Loans or loan guarantees.

26 (c) Infrastructure development.

27 (d) Other economic assistance.

28 (e) Program administration.

29 (f) Export assistance.

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

4 Sec. 702. The department shall work with the rural development
5 fund board to establish a process and criteria for funding projects
6 as well as establishing metrics and measurable outcomes for the
7 program. Funds appropriated from the rural development fund shall
8 be used in accordance with the provisions of the rural development
9 fund act, 2012 PA 411, MCL 286.941 to 286.947.

10 Sec. 706. (1) The department shall report on the previous
11 calendar year's activities of the agriculture development division.
12 The report shall be transmitted to the subcommittees, the fiscal
13 agencies, and the state budget office and posted to the
14 department's website on or before April 1 of each year.

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

17 (a) The name of the grantee.

18 (b) The amount of the grant.

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

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

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

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

26 (a) Council activities and accomplishments for the previous
27 fiscal year.

28 (b) Council expenditures for the previous fiscal year by
29 category of administration, industry support, research and

1 education grants, and promotion and consumer education.

2 (c) Grants awarded during the previous fiscal year and the
3 results of research grant projects completed during the previous
4 fiscal year.

5
6 **FAIRS AND EXPOSITIONS**

7 Sec. 801. All appropriations from the agriculture equine
8 industry development fund shall be spent on equine-related
9 purposes. No funds from the agriculture equine industry development
10 fund shall be expended for nonequine-related purposes without prior
11 approval of the legislature.

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

15 (a) To support all administrative, contractual, and regulatory
16 costs incurred by the department and the Michigan gaming control
17 board.

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

20 (c) Any remaining funds collected through September 30, 2022,
21 after the obligations in subdivisions (a) and (b) have been met,
22 shall be prorated equally among the supplements, breeders' awards,
23 and sire stakes awards to eligible race meeting licensees in
24 accordance with section 20 of the horse racing law of 1995, 1995 PA
25 279, MCL 431.320.

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

29 (a) Assist in the promotion of building improvements or other

1 capital improvements at county fairgrounds of this state.

2 (b) Provide financial support, promotion, prizes, and premiums
3 of equine, livestock, and other agricultural commodity expositions
4 in this state.

5 (2) The department shall award grants on a competitive basis
6 to county fairs or other organizations from the funds appropriated
7 in part 1 for county fairs, shows, and expositions grants. Grantees
8 will be required to provide a 50% cash match with grant awards and
9 identify measurable project outcomes. A county fair organization
10 that received a county fair capital improvement grant in the prior
11 fiscal year shall not receive a grant from the appropriation in
12 part 1.

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

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

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

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

29 (7) The unexpended portion of the county fairs, shows, and

1 expositions grants is considered a work project appropriation in
2 accordance with section 451a of the management and budget act, 1984
3 PA 431, MCL 18.1451a. The following apply to the project:

4 (a) The purpose of the project is to support building
5 improvements or other capital improvements at county fairgrounds of
6 this state.

7 (b) All grants will be distributed in accordance with this
8 section and the grant guidelines published prior to the request for
9 proposals.

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

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

14 (8) The department shall provide a year-end report on the
15 county fairs, shows, and expositions grants no later than December
16 1, 2022 to the subcommittees, the fiscal agencies, and the state
17 budget director that includes a listing of the grantees, award
18 amounts, match funding, and project outcomes.

19
20 **ONE-TIME BASIS ONLY APPROPRIATIONS**

21 Sec. 902. The one-time appropriation in part 1 for the farm
22 stress program shall be used to respond to the mental stress and
23 fatigue of Michigan farmers and agricultural producers and their
24 families through utilizing existing services that offer behavioral
25 health specialists in the agriculture industry.