

Act No. 156
Public Acts of 1992
Approved by the Governor
July 16, 1992
Filed with the Secretary of State
July 16, 1992

**STATE OF MICHIGAN
86TH LEGISLATURE
REGULAR SESSION OF 1992**

Introduced by Reps. Ostling, Bender, Allen, Gilmer and Knight

ENROLLED HOUSE BILL No. 5527

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 1993; 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:

Sec. 101. There is appropriated for the department of agriculture for the fiscal year ending September 30, 1993, from the following funds:

**DEPARTMENT OF AGRICULTURE
APPROPRIATION SUMMARY:**

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	586.3	
GROSS APPROPRIATION	\$	58,295,200
Interdepartmental grant revenues:		
IDG from Commerce (LCC)-liquor quality testing fees		200,600
IDG from Commerce (LCC)-nonretail liquor license fees.....		408,100
Total interdepartmental grants and intradepartmental transfers		608,700
ADJUSTED GROSS APPROPRIATION	\$	57,686,500
Federal revenues:		
DAG-AMS, cooperative agreement		1,019,100
DAG-APHIS, Plant and animal disease and pest control		29,000
DAG-FNS		120,000
DAG-FS, multiple grants		1,760,000
DAG-VS pseudorabies.....		130,000
EPA-OE, Pesticides enforcement program grants.....		909,900
EPA-OWWM, Water pollution control, lake restoration cooperative agreements.....		229,000
Federal revenue, additional acquired.....		1,000,000
HHS-FDA.....		245,000
Total federal revenues.....		5,442,000
Special revenue funds:		
Total local revenues		0
Private-oil company overcharge settlement.....		1,093,900
Total private revenues.....		1,093,900
Total local and private revenues		1,093,900

For Fiscal Year
Ending Sept. 30,
1993

Apiary fees.....	\$	45,900
Bean inspection fees.....		52,400
Farm produce license and audit fees.....		102,200
Food handler licensing fees		1,050,000
Fruits and vegetable inspection fees.....		679,000
Horse racing revenues.....		17,891,500
Industry support funds.....		85,300
Licensing and inspection fees		1,781,100
Motor fuel quality license fees		1,250,500
Testing fees.....		245,100
Upper Peninsula state fair revenue.....		584,100
Weights and measures regulation fees		120,000
Total other state restricted revenues		23,887,100
State general fund/general purpose	\$	27,263,500

EXECUTIVE

Full-time equated unclassified positions	3.0	
Full-time equated classified positions.....	35.5	
Commission, including travel (per diem each \$75.00)	\$	33,400
Marketing and bargaining board, including travel (per diem \$35.00).....		2,000
Upper Peninsula state fair board, including travel (per diem \$50.00).....		11,600
Director.....		83,100
Unclassified positions.....		143,700
Affirmative action—2.0 FTE positions		188,400
Executive direction—9.5 FTE positions.....		707,300
Food bank		500,000
Statistical reporting service—4.0 FTE positions		399,600
Regional clerical support—8.0 FTE positions		418,700
U.S.D.A. data collection program—10.0 FTE positions.....		981,300
Equine monitoring system—1.0 FTE position		183,200
Central fund for acquiring additional federal fund.....		1,000,000
Project F.R.E.S.H.—1.0 FTE positions.....		250,000
Job academy		1,000
GROSS APPROPRIATION	\$	4,903,300

Appropriated from:

Federal revenues:

DAG-AMS, cooperative agreement	981,300
DAG-FNS.....	120,000
Federal revenue, additional acquired.....	1,000,000

Special revenue funds:

Horse racing revenues.....	183,200
Industry support funds.....	35,300
State general fund/general purpose	\$ 2,583,500

ADMINISTRATIVE SERVICES

Full-time equated classified positions.....	72.0	
Personnel—7.0 FTE positions	\$	459,300
Financial Services—49.0 FTE positions		3,393,100
Automated services—10.0 FTE positions.....		894,700
Press and Public Affairs—6.0 FTE positions.....		481,100
Property management charges		526,400
Rent		294,400
GROSS APPROPRIATION	\$	6,049,000

Appropriated from:

Special revenue funds:

Farm produce license and audit fees.....	61,500
Fruits and vegetable inspection fees.....	4,700
Upper Peninsula state fair revenue	584,100
Horse racing revenues.....	1,029,300
State general fund/general purpose	\$ 4,369,400

PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions.....	103.6	
Administration—5.0 FTE positions.....		\$ 340,500
Apiary inspection program—3.0 FTE positions.....		213,100
Agricultural products quality assurance—17.9 FTE positions		1,049,800
Plant pest control—27.7 FTE positions.....		1,571,800
Pesticide certification and enforcement—40.7 FTE positions.....		2,994,300
Gypsy moth program—9.3 FTE positions.....		2,330,100
GROSS APPROPRIATION		\$ 8,499,600
Appropriated from:		
Federal revenues:		
DAG-FS, multiple grants		1,760,000
EPA-OE, Pesticides enforcement program grants.....		699,900
HHS-FDA.....		15,000
Special revenue funds:		
Horse racing revenues.....		112,100
Licensing and inspection fees		1,664,000
Apiary fees.....		45,900
State general fund/general purpose		\$ 4,202,700

ANIMAL INDUSTRY

Full-time equated classified positions.....	28.0	
Administration—5.0 FTE positions.....		\$ 305,300
Animal health and welfare—23.0 FTE positions		1,400,200
GROSS APPROPRIATION		\$ 1,705,500
Appropriated from:		
Federal revenues:		
DAG-VS pseudorabies.....		130,000
HHS-FDA.....		50,000
Special revenue funds:		
Horse racing revenues.....		261,500
Licensing and inspection fees		52,700
State general fund/general purpose		\$ 1,211,300

DAIRY PRODUCTS

Full-time equated classified positions.....	43.0	
Dairy products quality assurance—43.0 FTE positions		\$ 3,016,100
GROSS APPROPRIATION		\$ 3,016,100
Appropriated from:		
Federal revenues:		
DAG-AMS, cooperative agreement		22,000
Special revenue funds:		
Horse racing revenues.....		109,500
Licensing and inspection fees		64,400
State general fund/general purpose		\$ 2,820,200

FOOD AND CONSUMER PROTECTION

Full-time equated classified positions.....	104.0	
Administration—3.0 FTE positions.....		\$ 233,400
Food product quality assurance—65.0 FTE positions		3,872,000
Motor fuels quality program—8.0 FTE positions		545,800
Weights and measures program—27.0 FTE positions		1,513,800
Farm produce enforcement program—1.0 FTE positions.....		65,700
GROSS APPROPRIATION		\$ 6,230,700
Appropriated from:		
Federal revenues:		
HHS-FDA.....		180,000
Special revenue funds:		
Weights and measures regulation fees		120,000

Sec. 202. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 203. As used in this act:

- (a) "Department" means the department of agriculture.
- (b) "Director" means the director of the department.
- (c) "DAG-AMS" means the United States department of agriculture-agriculture marketing service.
- (d) "DAG-APHIS" means the United States department of agriculture-animal plant health inspection service.
- (e) "DAG-FNS" means the United States department of agriculture-food and nutrition service.
- (f) "DAG-FS" means the United States department of agriculture-forest service.
- (g) "DAG-SRS" means the United States department of agriculture-statistical reporting service.
- (h) "DAG-VS" means the United States department of agriculture-veterinary science.
- (i) "EPA-OE" means the United States environmental protection agency-office of enforcement.
- (j) "EPA-OWWM" means the United States environmental protection agency-office of water and waste management.
- (k) "F.R.E.S.H." means farm resources encouraging and supporting health.
- (l) "FTE" means full-time equated.
- (m) "HHS-FDA" means the United States department of health and human services-food and drug administration.
- (n) "IDG" means interdepartmental grant.

Sec. 204. The department may receive and expend funds in addition to those authorized in section 101 for conducting training and orientation workshops and seminars that are consistent with the programmatic mission of the individual unit sponsoring or coordinating the program. Not later than January 2, 1993, the department shall provide the senate and house appropriations subcommittees and the senate and house fiscal agencies with a report indicating the program, number of participants, costs incurred, and income received for the previous fiscal year.

Sec. 205. (1) The unexpended and unobligated balance of any state restricted fund or account remaining at the end of the fiscal year shall revert back to the state restricted fund or account from which appropriated and be available for reappropriation for the next fiscal year. Appropriations which revert to a state restricted fund or account pursuant to this section shall not revert to the general fund of the state.

(2) A state restricted revenue fund or account which receives revenues in excess of appropriations made from that state restricted revenue fund or account shall not have the excess revenue revert to the general fund of the state.

(3) This section does not apply to horse racing revenue.

Sec. 206. Of the funds appropriated in section 101 which are in units other than the grants unit, the department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the senate and house appropriations subcommittees on agriculture at least 10 days before the grant is issued. The grants shall be used to support research or other related activities for the purpose of enhancing the agricultural industries in this state.

Sec. 207. The department of agriculture shall submit a report to the chairpersons of the agriculture subcommittees of the house and senate appropriations committees and to the senate and house fiscal agencies on the details of allocations within program budgeting line items by December 1, 1992. The report shall include a listing, by account and dollar amount, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated to the department of agriculture for the fiscal year ending September 30, 1993.

Sec. 208. (1) Beginning October 1, 1992, there shall be a hiring freeze imposed on the state classified civil service. State departments and agencies shall be prohibited from hiring any new full-time state classified civil service employees or prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from one position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that such a hiring freeze will result in rendering a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exclusions to the hiring freeze approved during the previous month and the reasons to justify the exclusion.

(3) This section does not apply to the position for project F.R.E.S.H.

Sec. 209. The funds appropriated in section 101 from the central funds for acquiring additional federal funds shall not be expended until the grant money is authorized by the grantor. Expenditure of those funds shall be controlled through the allotment process. Funds accepted under this section shall not be authorized if the receipt of the funds mandates a commitment for state funding at a future date. The department shall report within 30 days after receipt of the funds to the department of management and budget, the senate and house appropriations subcommittees responsible for the department's budget, and the senate and house fiscal agencies concerning the funds received.

Sec. 210. The department shall establish an FTE position vacancy accumulated funds account. The department shall transfer into the FTE position vacancy accumulated funds account at the end of each quarter any funds remaining unspent for personnel and related costs for vacancies. A report on the amount transferred each quarter into the vacancy accumulated funds account and the cumulative total in the account shall be submitted to the house and senate appropriations committees and the house and senate fiscal agencies 15 days after the last pay period in each quarter.

Sec. 211. Funds appropriated in section 101 shall not be used for the purchase of foreign goods and/or services when competitively priced American goods and/or services are available.

Sec. 212. Of the horse race revenues collected, \$1,600,000.00 shall be appropriated to the general fund of the state.

Sec. 213. (1) The department shall provide to the job academy planning and policy documents, program and fiscal data, and other requested information for any applicable programs which receive funding under this act.

(2) The department shall assign staff to work with the job academy to improve the coordination of employment and training services between departments, to reduce duplication of services, and to begin integrating and consolidating all employment and training services.

(3) To improve the accessibility of Michigan citizens to employment and training programs, the department shall cooperate with the job academy as it develops pilot programs which consolidate and restructure employment and training programs at the local level. The pilot programs shall include, but not be limited to, the testing of a system through which clients receive vouchers that can be used to access the most appropriate employment and training services.

(4) To allow for the implementation of the local pilot programs, funds may be transferred from existing employment and training programs to the job academy line item. Such transfers shall be subject to the provisions of section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

EXECUTIVE

Sec. 301. The appropriations in section 101 may be used for per diem payments to members of boards, committees, and commissions for a full day's board, committee, or commission work at which a quorum is present; for attending a hearing as authorized by the respective board, committee, or commission; or for performing official business as authorized by the respective board, committee, or commission. The per diem payments shall be at a rate as follows:

- (a) Commission of agriculture\$75.00 per day
- (b) Upper Peninsula state fair board.....\$50.00 per day
- (c) Agricultural marketing and bargaining board\$35.00 per day

Sec. 302. The department may charge fees for publications and to use those fees to cover necessary expenses.

Sec. 303. (1) The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the department.

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

(3) The department shall compile and furnish a report to the civil rights commission validating the total contracts in compliance with this section and detailing contracting procedures for the department.

Sec. 304. If the director is required to lay off any department employees to implement this act, the director shall be exempted from using a strict application of continuous service credits in accordance with guidelines developed by the state personnel director and approved by the civil service commission in order to preserve affirmative action gains made in a program approved by the Michigan equal employment and business opportunity council. This is in accordance with civil service commission rule.

Sec. 305. The department shall operate all inspection and regulatory programs at full strength as authorized by this act.

Sec. 306. In any given year when insufficient amounts of Michigan surplus products are offered to the food bank council and accepted for distribution, unused funds may be applied by the food bank council for the direct purchase of foods from Michigan growers, manufacturers and/or wholesalers.

Sec. 307. Of the funds appropriated in section 101 for statistical reporting service, \$120,000.00 shall be used for crop surveys of fruit, vegetables, and nursery stock, including Christmas trees and ornamental plants. It is the intent of the legislature that the survey shall be an ongoing rotational survey of these commodity groups. The survey shall begin with fruit in the first year, vegetables in the second year, and nursery stock in the third year. The rotational cycle of the survey shall continue in the fourth and subsequent years. The survey shall include existing plantings/acreage, new plantings/acreage, production, and number of growers.

ADMINISTRATIVE SERVICES

Sec. 401. The department may collect revenues and fees for audit and licensing functions and may use these fees for necessary expenses.

Sec. 402. The department may collect fees to conduct livestock sales at the Upper Peninsula state fairgrounds and use the fees for necessary expenses related to the livestock sales.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 501. The department may charge a fee for propagating and certifying virus free foundation stock.

Sec. 502. Of the funds appropriated in section 101 to the pesticide and plant pest management division, up to \$100,000.00 may be made available to the Michigan cooperative extension service for the purpose of training of applicators. Reimbursement shall be based on actual expenditures and revenue availability.

Sec. 503. The department shall develop a strategy with accompanying cost estimates for the purpose of the suppression of the gypsy moth infestation in this state. In the development of this strategy, the department shall form a committee consisting of representatives from the department and the departments of natural resources, public health, and commerce and from Michigan state university. The department shall consult with other states that are or have experience similar gypsy moth infestations. The department shall report its findings to the house and senate appropriations subcommittees on agriculture and to the department of management and budget by January 1, 1993.

Sec. 504. (1) From the amount appropriated in section 101 for the gypsy moth program, \$100,000.00 shall be allocated to Michigan state university for a gypsy moth education program.

(2) Any unexpended balance which is allocated pursuant to this section shall be carried forward as a work project.

FOOD AND CONSUMER PROTECTION

Sec. 601. The department may collect fees and fines and may use these funds to administer the gasoline inspection and testing program in accordance with the motor fuels quality act, Act No. 44 of the Public Acts of 1984, being sections 290.641 to 290.650 of the Michigan Compiled Laws.

Sec. 602. The department may provide bean inspection and grading services and use the revenues received from these services for necessary expenses.

LABORATORY SUPPORT

Sec. 701. The amount appropriated in section 101 for equine drug testing includes sufficient funds to test horses entered in draft horse pulling contests at county fairs when local jurisdictions request state assistance.

Sec. 702. The department may make necessary analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks. A fee shall be charged to reimburse the department for the costs of the analyses.

Sec. 703. The department may conduct analyses of food, livestock, and agricultural products for diseases, toxic materials, foreign substances, and quality standards. A fee may be charged to reimburse the department for the costs of the analyses.

Sec. 704. The department may conduct analyses of liming samples and charge a fee for the service.

Sec. 705. The department may make regulatory and service tests of feed and fertilizer samples and charge a fee sufficient to cover the costs of these tests.

Sec. 706. The department may test samples for other agencies and organizations and charge a fee for the services. The fees shall be used to cover necessary costs and shall be interaccounted.

MARKETING AND MARKET DEVELOPMENT

Sec. 751. The department may use all the inspection fees collected from the inspection of fruits and vegetables at shipping and termination points and processing plants to pay necessary expenses related to the inspections.

Sec. 752. Within the appropriations in section 101 for marketing and market development \$408,100.00 is for the grape and wine industry council, from which the department may provide grants for the purposes as described in section 16b of the Michigan liquor control act, Act No. 8 of the Public Acts of the Extra Session of 1933, being section 436.16b of the Michigan Compiled Laws. Before October 15, 1993, the department shall report the grants made pursuant to this section to the appropriations subcommittees of the senate and house of representatives and to the senate and house fiscal agencies. The report shall include to whom the grants were made, the amounts of the grants, and a brief description of the purpose of the grants.

Sec. 753. Of the funds appropriated for marketing and market development, \$25,000.00 shall be spent on world trade promotions of agricultural products and commodities. The \$25,000.00 for the world trade program shall be for an African trade program, a world trade coordinator, and for the Tanzania trade program.

OFFICE OF RACING COMMISSIONER

Sec. 801. The racing commissioner may pay rewards of not more than \$5,800.00 to a person who provides information which results in the arrest and conviction on a felony or misdemeanor charge for a crime which involves the horse racing industry. A reward paid pursuant to this section shall be paid out of the licensing and regulation line item.

Sec. 802. Included in section 101 is an amount not to exceed \$400,000.00 for promotion of attendance at pari-mutuel horse racing. The state funds shall be matched before expenditure such that each \$2.00 of state funds is matched by \$1.00 of private industry funds. A race meeting licensee or an association of thoroughbred and harness racetracks or any horsemen's group may submit a plan and proposal to the racing commissioner for use of funds authorized to be expended for promotion of attendance at pari-mutuel horse racing. A plan shall be submitted by the commissioner to the chairpersons of the senate and house subcommittees on agriculture at least 30 days before the funds may be expended. Each licensee or association of thoroughbred and harness racetracks or horsemen's group shall be eligible for promotional funds.

Sec. 803. The department shall report by January 1, 1993, to the senate and house appropriations committees the horse racing revenues generated by each breed of horse for which funds are appropriated in this act.

GRANTS

Sec. 901. Of the \$104,000.00 appropriated in section 101 for the Great Lakes draft horse show, \$35,500.00 shall be made available for the Michigan dynamometers association, \$58,500.00 shall be made available for the Michigan draft horse breeders association, and \$10,000.00 shall be used for advertisement and promotion of an annual Great Lakes international draft horse show.

Sec. 902. The independent audits of local units of government, as required by the uniform budgeting and accounting act, Act No. 2 of the Public Acts of 1968, being sections 141.421 to 141.440a of the Michigan Compiled Laws, shall include an examination to determine the accuracy of reports submitted in compliance with section 904 of this act. The reports shall be subject, at the authorization of the chairpersons of the senate and house appropriations committees, to the review of the auditor general.

Sec. 903. Of the \$150,000.00 appropriated in section 101 for water wonderland breeder awards, not more than 2% of the amount appropriated may be used for administrative expenses required to manage the program, the remainder shall be expended for premiums, judges, ribbons and trophies, promotion, and to send state champions to national shows. Large breeds receiving over \$8,000.00 may use up to 20% for a show held separate from county or state fairs.

Sec. 904. A county fair, district fair, 4-H fair, or state fair receiving funds under this act to be used for prizes or awards, in whole or in part, as a condition precedent to the receiving of the funds for those purposes, shall publish the rules relative to the prizes, awards, and deadlines for entries eligible for the funds in their official premium books or lists relative to the prizes or awards. An aggrieved exhibitor may make a written complaint to the fair within 10 days after the fair ends. If the fair has not satisfactorily settled the grievance within 45 days after it is submitted to the fair, the aggrieved person may file the complaint with the department and the department shall investigate the complaint and make a finding of fact regarding the complaint and take appropriate action regarding the complaint.

Sec. 905. The amount appropriated in section 101 for grants to local soil conservation districts shall be used for providing financial assistance to all soil conservation districts in order to permit the districts to engage in programs that conserve soil resources and prevent and control soil erosion. All grants to local soil conservation districts shall be allocated according to a formula approved by the commission of agriculture.

Sec. 906. The department may carry forward unexpended appropriated funds from the thoroughbred and standardbred sire stakes programs pursuant to section 13(9) and (10) of the racing law of 1980, Act No. 327 of the Public Acts of 1980, being section 431.73 of the Michigan Compiled Laws, for the purposes of reimbursement of sire stakes purses for Michigan bred 2- and 3-year-old horse races held in the following fiscal year.

Sec. 907. (1) From the grant in section 101 for the energy conservation program for agriculture and forestry, the following allocations shall be made:

(a) Michigan state university - agriculture experiment stations - for demonstrations.....	157,500
(b) Michigan state university - cooperative extension service for research and education	97,000
(c) Local soil conservation district to provide technical assistance	628,400

(2) The grants allocated pursuant to this section shall be expended for projects which target conservation practices which will result in reducing soil, chemical, and nutrient entry into Michigan's rivers, lakes, streams, and aquifers.

Sec. 908. (1) Except as provided in subsection (2), the appropriation of \$299,500.00 in section 101 for purses and supplements - licensed tracks is intended to provide state purse supplements for 4 races at state licensed pari-mutuel horse racing tracks. The purse supplements are to be used for races comprised only of Michigan bred horses segregated into a 4-year-old colt trot division, a 4-year-old filly trot division, a 4-year-old colt pace division, and a 4-year-old filly pace division.

(2) Of the \$299,500.00 appropriated in section 101 for purses and supplements licensed tracks, \$74,900.00 shall be allocated as follows:

Arabian and Appaloosa horse racing	\$	18,700
Quarter horse racing		56,200

(3) The allocations made pursuant to this section shall be considered allocations for work projects and the unexpended balances shall be carried forward and shall not lapse until expended.

Sec. 909. Of the amount appropriated in section 101 for purses and supplements-fairs, a sufficient amount is appropriated to provide for overnight purse supplements at the maximum supplement of \$1,000.00 per overnight race.

Sec. 910. Of the amount appropriated in section 101 for premiums, \$12,000.00 shall be expended as a grant for the Michigan horse show association-fall youth show at the Michigan exposition and fairgrounds.

Sec. 911. Included in the appropriation made in section 101 for the thoroughbred program is \$30,500.00 for the Michigan united thoroughbred breeders and owners association to conduct a thoroughbred yearling show. The Michigan united thoroughbred breeders and owners association shall submit to the department an itemized list of expenses showing that the expenses of the yearling show were paid.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.