

Act No. 188
Public Acts of 1993
Approved by the Governor
October 05, 1993
Filed with the Secretary of State
October 05, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Senators McManus and Gast

ENROLLED SENATE BILL No. 522

AN ACT to make appropriations for the department of agriculture for the fiscal year ending September 30, 1994; 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, 1994, from the following funds:

DEPARTMENT OF AGRICULTURE
APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	591.5	
GROSS APPROPRIATION.....	\$	59,138,100
Interdepartmental grant revenues:		
IDG from Commerce (LCC)-liquor quality testing fees.....		146,500
IDG from Commerce (LCC)-nonretail liquor license fees		412,100
Total interdepartmental grants and intradepartmental transfers		558,600
ADJUSTED GROSS APPROPRIATION.....	\$	58,579,500
Federal revenues:		
DAG-AMS, cooperative agreement.....		1,561,600
DAG-APHIS, Plant and animal disease and pest control.....		56,000
DAG-FS, multiple grants.....		1,776,300
EPA-OE, Pesticides enforcement program grants		933,300
EPA-OWWM, water pollution control, lake restoration cooperative agreements		239,200
EPA-RCRA		150,000
Federal revenues		1,500,000
HHS-FDA		202,400
Total federal revenues		6,418,800
Special revenue funds:		
Total local revenues		0
Private-casino gambling agreement.....		200,000

For Fiscal Year
Ending Sept. 30,
1994

Private-oil company overcharge settlement	\$	171,200
Total private revenues.....		371,200
Total local and private revenues.....		371,200
Bean inspection fees.....		77,000
Civil penalties.....		25,900
Farm produce license and audit fees		105,300
Clean air act implementation fees		1,040,000
Food handler licensing fees		1,089,400
Fruits and vegetable inspection fees		692,400
Gasoline inspection and testing fund		1,633,900
Horse racing revenues.....		16,958,800
Industry support funds.....		76,300
Licensing and inspection fees.....		1,895,700
Pseudorabies and swine brucellosis fund		147,400
Testing fees.....		161,800
Upper Peninsula state fair revenue		703,200
Weights and measures regulation fees.....		128,700
Total other state restricted revenues.....		24,735,800
State general fund/general purpose	\$	27,053,700

EXECUTIVE

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	32.5	
Commission, including travel (per diem each \$75.00)		\$ 35,000
Marketing and bargaining board, including travel (per diem \$35.00)		2,000
Upper Peninsula state fair board, including travel (per diem \$50.00)		11,500
Director		87,300
Unclassified positions		331,600
Affirmative action—2.0 FTE positions		190,500
Executive direction—8.5 FTE positions		842,200
Statistical reporting service—4.0 FTE positions		404,200
U.S.D.A. data collection program—18.0 FTE positions		1,538,700
Federal contingency funds		1,500,000
GROSS APPROPRIATION		\$ 4,943,000

Appropriated from:

Federal revenues:

DAG-AMS, cooperative agreement.....	1,538,700
Federal revenues	1,500,000

Special revenue funds:

Special revenue funds:		
Horse racing revenues.....	180,700	
Industry support funds.....	25,800	
State general fund/general purpose	\$	1,697,800

ADMINISTRATIVE SERVICES

Full-time equated classified positions.....	85.0	
Personnel—7.0 FTE positions.....		\$ 476,000
Financial Services—39.0 FTE positions.....		2,462,400
Upper Peninsula state fair—8.0 FTE positions.....		927,900
Automated services—18.0 FTE positions.....		912,000
Press and Public Affairs—5.0 FTE positions.....		440,800
Property management charges.....		541,300
Regional clerical support—8.0 FTE positions.....		430,100
Rent.....		259,400
GROSS APPROPRIATION.....		<u>\$ 6,449,900</u>

Appropriated from:

Special revenue funds:

Farm produce license and audit fees	63,200
Gasoline inspection and testing fund	3,000

For Fiscal Year
Ending Sept. 30,
1994

Upper Peninsula state fair revenue	\$	703,200
Horse racing revenues		955,800
State general fund/general purpose	\$	4,724,700

PESTICIDE AND PLANT PEST MANAGEMENT

Full-time equated classified positions	99.3	
Administration—5.0 FTE positions	\$	301,800
Apiary inspection program		69,200
Agricultural products quality assurance—17.9 FTE positions		1,094,900
Plant pest control—25.3 FTE positions		1,728,100
Pesticide certification and enforcement—41.8 FTE positions		3,227,300
Gypsy moth program—9.3 FTE positions		2,351,500
GROSS APPROPRIATION	\$	8,772,800

Appropriated from:

Federal revenues:

DAG-APHIS, plant and animal disease and pest control	35,000
DAG-FS, multiple grants	1,776,300
EPA-OE, Pesticides enforcement program grants	723,300
EPA-RCRA	150,000
HHS-FDA	15,600

Special revenue funds:

Horse racing revenues	116,900
Licensing and inspection fees	1,812,300
State general fund/general purpose	\$ 4,143,400

ANIMAL INDUSTRY

Full-time equated classified positions	24.0	
Administration—5.0 FTE positions	\$	314,600
Animal health and welfare—18.0 FTE positions		1,215,000
Equine monitoring system—1.0 FTE position		87,000
GROSS APPROPRIATION	\$	1,616,600

Appropriated from:

Special revenue funds:

Horse racing revenues	358,200
Licensing and inspection fees	5,200
Pseudorabies and swine brucellosis fund	88,700
State general fund/general purpose	\$ 1,164,500

DAIRY PRODUCTS

Full-time equated classified positions	42.0	
Dairy products quality assurance—42.0 FTE positions	\$	3,040,500
GROSS APPROPRIATION	\$	3,040,500

Appropriated from:

Federal revenues:

DAG-AMS, cooperative agreement	22,900
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Special revenue funds:

Horse racing revenues	113,800
Licensing and inspection fees	70,900
State general fund/general purpose	\$ 2,832,900

FOOD AND CONSUMER PROTECTION

Full-time equated classified positions	118.5	
Administration—3.0 FTE positions	\$	221,100
Food product quality assurance—64.0 FTE positions		3,995,800
Motor fuels quality program—25.5 FTE positions		1,945,800
Weights and measures program—25.0 FTE positions		1,512,400
Farm produce enforcement program—1.0 FTE position		67,800
GROSS APPROPRIATION	\$	7,742,900

Appropriated from:	
Federal revenues:	
HHS-FDA	\$ 186,800
Special revenue funds:	
Weights and measures regulation fees	128,700
Food handler licensing fees	1,089,400
Gasoline inspection and testing fund	826,000
Clean air act implementation fees	1,040,000
Farm produce license and audit fees	42,100
Civil penalties	25,900
Licensing and inspection fees	7,300
State general fund/general purpose	\$ 4,396,700
LABORATORY SUPPORT	
Full-time equated classified positions	85.5
Administration—6.0 FTE positions	\$ 466,600
Equine drug testing—8.5 FTE positions	708,000
Laboratory support services—71.0 FTE positions	4,463,700
GROSS APPROPRIATION	\$ 5,638,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG from Commerce (LCC)-liquor quality testing fees	146,500
Federal revenues:	
DAG-APHIS, plant and animal disease and pest control	21,000
Special revenue funds:	
Gasoline inspection and testing fund	804,900
Horse racing revenues	704,900
Pseudorabies and swine brucellosis fund	58,700
Testing fees	161,800
State general fund/general purpose	\$ 3,740,500
ENVIRONMENTAL PROTECTION	
Full-time equated classified positions	25.0
Soil and water conservation—25.0 FTE positions	\$ 1,708,000
GROSS APPROPRIATION	\$ 1,708,000
Appropriated from:	
Federal revenues:	
EPA-OWWM, Water pollution control, lake restoration cooperative agreements	239,200
Special revenue funds:	
Private-oil company overcharge settlement	50,000
State general fund/general purpose	\$ 1,418,800
MARKETING AND MARKET DEVELOPMENT	
Full-time equated classified positions	38.0
Marketing and market development—7.0 FTE positions	\$ 1,050,900
Fruit and vegetable quality control—31.0 FTE positions	1,434,800
GROSS APPROPRIATION	\$ 2,485,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG from Commerce (LCC)-nonretail liquor license fees	412,100
Special revenue funds:	
Bean inspection fees	77,000
Fruits and vegetable inspection fees	692,400
Industry support funds	50,500
State general fund/general purpose	\$ 1,253,700
OFFICE OF RACING COMMISSIONER	
Full-time equated classified positions	41.7

	For Fiscal Year Ending Sept. 30, 1994
Licensing and regulation—39.7 FTE positions.....	\$ 2,876,800
Native American casino regulation program—2.0 FTE positions.....	200,000
Promotion.....	180,000
GROSS APPROPRIATION.....	\$ 3,256,800
Appropriated from:	
Special revenue funds:	
Horse racing revenues.....	3,056,800
Private-casino gambling agreement.....	200,000
State general fund/general purpose	\$ 0
GRANTS	
Grant to Southwestern Michigan tourist council - taste of Michigan	\$ 60,400
Food bank	500,000
Future farmers of America.....	28,500
Grants to local soil conservation districts/clean water incentive program	1,000,000
Energy conservation program/local soil conservation districts	121,200
Michigan state university.....	210,000
Michigan festivals.....	50,000
Purses and supplements-fairs.....	2,412,500
Standardbred purses and supplements-licensed tracks.....	254,000
Standardbred Michigan futurity	67,000
Standardbred Fedele Fauri futurity.....	67,000
Standardbred breeders' awards.....	1,044,800
Premiums-county and state fairs.....	1,279,300
Building and track improvement-county and state fairs.....	467,000
Standardbred training and stabling	24,200
Thoroughbred program	1,716,000
Standardbred sire stakes program.....	800,000
Northwest Michigan horticultural research station.....	41,800
Thoroughbred sire stakes program.....	424,000
Great Lakes draft horse show.....	78,800
Water wonderland breeder awards.....	157,500
Appaloosa/Arabian/quarterhorse programs.....	50,000
Licensed tracks-light horse racing	84,000
Act 327, municipal grants.....	2,545,600
GROSS APPROPRIATION.....	\$ 13,483,600
Appropriated from:	
Federal revenues:	
EPA-OE, Pesticides enforcement program grants	210,000
Special revenue funds:	
Private-oil company overcharge settlement.....	121,200
Horse racing revenues.....	11,471,700
State general fund/general purpose	\$ 1,680,700

GENERAL SECTIONS

Sec. 201. (1) In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this appropriation act is \$51,789,500.00 and state appropriations to be paid to local units of government in section 101 are as follows:

	For Fiscal Year Ending Sept. 30, 1994
DEPARTMENT OF AGRICULTURE	
Grants to soil conservation districts	\$ 1,000,000
Act 327, municipal grants.....	2,545,600
TOTAL	\$ 3,545,600

(2) When it appears to the principal executive officer of each department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

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-FS" means the United States department of agriculture-forest service.
- (f) "DAG-SRS" means the United States department of agriculture-statistical reporting service.
- (g) "EPA-OE" means the United States environmental protection agency-office of enforcement.
- (h) "EPA-OWWM" means the United States environmental protection agency-office of water and waste management.
- (i) "FTE" means full-time equated.
- (j) "HHS-FDA" means the United States department of health and human services-food and drug administration.
- (k) "IDG" means interdepartmental grant.

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. 208. (1) Beginning October 1, 1993, 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.

Sec. 209. None of the funds appropriated in section 101 in the line item identified as "Federal contingency funds" are available for expenditure until they have been transferred to another line item in this act pursuant to section 393 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

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. At the same time as a privatization, elimination, retention, or modification analysis is submitted to the civil service commission for approval of a contract that will result in the loss of employment by classified state employees or otherwise substantially alters the delivery of a service central to the mission of the department, the department shall submit a copy of the analysis to the house and senate appropriations committees. If a collective bargaining agreement covering state employees described in this section requires prior notification, the department shall submit the analysis to the appropriations committees on or before the date specified in that agreement. The analysis shall include all of the following:

- (a) The justification for privatizing or contracting the function or service.
- (b) The estimated number of classified state employees potentially affected by the contract.
- (c) The civil service criteria used to justify privatization.
- (d) The projected cost savings from privatization, if any, including:
 - (i) Documentation that the savings meet the minimum criteria established by the civil service commission.
 - (ii) The cost of contract monitoring.
 - (iii) The conversion cost associated with termination of state employees.
 - (iv) The conversion revenue associated with the sale of an asset or service to the contractor.
 - (v) Estimated net revenue lost to the state by privatizing the service or function.
- (vi) A demonstration that the service would be performed at substantial long-term savings to the state when compared with the cost of performance of the service or function by classified state employees. The demonstration of substantial long-term savings shall be consistent with criteria developed by the department of civil service.

Sec. 214. When the department applies to the department of management and budget with a request for a transfer of appropriations or for a supplemental appropriation, the department shall provide the senate and house fiscal agencies with the same information that the department provides the department of management and budget relative to the request for transfer or supplemental.

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 receive and expend revenue and use that revenue to cover necessary expenses related to publications, audit and licensing functions, livestock sales, certification of nursery stock, bean inspection services, and laboratory analyses as specified in the following:

- (a) Management services publications.
- (b) Management services audit and licensing functions.
- (c) Upper Peninsula state fair livestock sales.
- (d) Pesticide and plant pest management propagation and certification of virus free foundation stock.
- (e) Marketing and market development protection bean inspection and grading services.
- (f) Laboratory support testing for testing horses in draft horse pulling contests at county fairs when local jurisdictions request state assistance.
- (g) Laboratory support analyses to determine foreign substances in horses engaged in racing or pulling contests at tracks.
- (h) Laboratory support analysis of food, livestock, and agricultural products for disease, toxic materials, foreign products for disease, foreign substances, and quality standards.
- (i) Laboratory support analysis of liming samples.

(j) Laboratory support analysis of feed and fertilizer samples.

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

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.

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. 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.

PESTICIDE AND PLANT PEST MANAGEMENT

Sec. 401. 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. 402. (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. The project shall provide public information regarding gypsy moth infestation. The project shall be managed by Michigan State University through a \$100,000.00 contract which shall be completed by September 30, 1995 for fiscal year 1993-1994.

Sec. 403. 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 report its findings and steps taken in implementing the strategy to the house and senate appropriations subcommittees on agriculture and to the department of management and budget by January 1, 1994.

ANIMAL HEALTH AND WELFARE

Sec. 501. The department shall fulfill its duties and obligations under Act No. 224 of the Public Acts of 1969, being sections 287.381 to 287.395 of the Michigan Compiled Laws.

MARKETING AND MARKET DEVELOPMENT

Sec. 601. 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. 602. 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.

Sec. 603. If the department offers a contract for competitive bid to provide fruit and vegetable inspection service by private entities, the bid package shall be divided so that entities may offer bids to provide services to specific portions of the state and not the entire state. However, a service area shall cover at least 25% of the state.

OFFICE OF RACING COMMISSIONER

Sec. 701. 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. 702. Included in section 101 is an amount not to exceed \$380,000.00 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. 703. The department shall report by December 1, 1994 for fiscal year 1993-1994 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.

Sec. 704. The racing commissioner shall establish affirmative actions policy within the office of the racing commissioner. The racing commissioner shall report to the senate and house appropriations subcommittees regarding the contents of the policy and the progress on implementation of the policy. The report shall be made before December 1, 1993.

GRANTS

Sec. 801. Of the \$78,800.00 appropriated in section 101 for the Great Lakes draft horse show, \$28,300.00 shall be made available for the Michigan dynamometers association, \$46,700.00 shall be made available for the Michigan draft horse breeders association, and \$3,800.00 shall be used for advertisement and promotion of an annual Great Lakes international draft horse show.

Sec. 802. 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 14 of Act No. 327 of the Public Acts of 1980, being section 431.74 of the Michigan Compiled Laws. 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. 803. Of the \$157,500.00 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. 804. 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. 805. For fiscal year 1993-1994 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. 806. (1) The appropriation of \$254,000.00 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) The appropriation in section 101 for licensed tracks - light horse racing shall be allocated as follows:

Arabian and Appaloosa horse racing	\$	20,900
Quarter horse racing	\$	63,100

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

Sec. 808. Of the amount appropriated in section 101 for premiums, \$11,400.00 shall be expended as a grant for the Michigan horse show association-fall youth show at the Michigan exposition and fairgrounds.

Sec. 809. 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.

Sec. 810. Of the horse race revenues collected for fiscal year 1993-1994 for the standardbred sire stakes program, grants to cities with racetracks, and the thoroughbred sire stakes program, \$1,851,300.00 shall be appropriated to the general fund of the state in the following respective amounts: grants to cities with racetracks - \$1,839,100.00; thoroughbred sire stakes program - \$12,200.00. In addition, \$35,200.00 of horse racing revenue received from general horse racing revenue accounts shall be transferred to the general fund.

Sec. 811. The department shall initiate an evaluation of current promotional programs available for Michigan agricultural products, and shall consult with other relevant and affected state departments to develop a recommendation on the most effective manner in which the department can assist in marketing and promoting Michigan agriculture products to Michigan residents. The department shall issue a final report to the chairs of the house and senate appropriations subcommittees on agriculture by March 30, 1994.

Sec. 814. The department shall provide indemnification for 200 poultry and 676 poultry eggs destroyed in 1993. The indemnification shall not exceed \$2,100.00 and may be paid from any line item appropriated to the department for the fiscal year ending September 30, 1994.

Sec. 815. Of the amount appropriated in section 101 for building and track improvement-county and state fairs, \$15,000.00 shall be allocated to the Gogebic county fair for building and grandstand repairs.

Sec. 816. 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. 817. 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. Any soil conservation district that allows payment for expenses to the district associate directors shall be considered ineligible to receive grant money.

Sec. 818. Indirect costs may not be charged against the grant in section 101 to the future farmers of America by any administering agency.

This act is ordered to take immediate effect.

Secretary of the Senate.

Co-Clerk of the House of Representatives.

Approved -----

Governor.