

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 230**

A bill to make appropriations for the department of agriculture for the fiscal year ending September 30, 2002; 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:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for the department of agri-
5 culture for the fiscal year ending September 30, 2002, from the funds
6 indicated in this part. The following is a summary of the appropriations
7 in this part:

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1 DEPARTMENT OF AGRICULTURE

2 APPROPRIATION SUMMARY:

3	Full-time equated unclassified positions.....	6.0	
4	Full-time equated classified positions.....	650.5	
5	GROSS APPROPRIATION.....	\$	[100,940,600]
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers.....		12,108,200
9	ADJUSTED GROSS APPROPRIATION.....	\$	[88,832,300]
10	Total federal revenues.....		5,806,100
11	Total local revenues.....		0
12	Total private revenues.....		1,121,900
13	Total other state restricted revenues.....		34,510,500
14	State general fund/general purpose.....	\$	[47,393,900]
15	Sec. 102. EXECUTIVE		
16	Full-time equated unclassified positions.....	6.0	
17	Full-time equated classified positions.....	67.0	
18	Commission and boards.....	\$	63,300
19	Unclassified positions--6.0 FTE positions.....		478,700
20	Executive direction--4.0 FTE positions.....		518,000
21	Management services--58.0 FTE positions.....		5,250,000
22	Statistical reporting service--5.0 FTE positions.....		460,800
23	Value-added processing grant: ethanol.....		200
	[Value-added processing grant: sugar beets.....		<u>100</u>]
24	GROSS APPROPRIATION.....	\$	[6,771,100]
25	Appropriated from:		
26	Interdepartmental grant revenues:		

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1	IDG from MDCIS (LCC), nonretail liquor license fees..	8,800
2	Special revenue funds:	
3	Gasoline inspection and testing fund.....	47,800
4	Industry support funds.....	5,000
5	Licensing and inspection fees.....	62,100
6	Michigan state fair revenue.....	79,000
7	Upper Peninsula state fair revenue.....	9,000
8	State general fund/general purpose..... \$	[6,559,400]
9	Sec. 103. DEPARTMENTWIDE	
10	Rent and building occupancy charges..... \$	<u>1,647,000</u>
11	GROSS APPROPRIATION..... \$	1,647,000
12	Appropriated from:	
13	Special revenue funds:	
14	Gasoline inspection and testing fund.....	3,200
15	State general fund/general purpose..... \$	1,643,800
16	Sec. 104. FOOD AND DAIRY	
17	Full-time equated classified positions.....119.0	
18	Food safety and quality assurance--119.0 FTE	
19	positions..... \$	10,241,200
20	Local public health operations.....	<u>8,977,500</u>
21	GROSS APPROPRIATION..... \$	19,218,700
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	IDG from MDCH, local public health operations.....	8,977,500
25	Federal revenues:	
26	DAG-AMS, cooperative agreement.....	22,500

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1	HHS-FDA.....	183,600
2	Special revenue funds:	
3	Civil penalties.....	60,000
4	Licensing and inspection fees.....	2,484,000
5	State general fund/general purpose..... \$	7,491,100
6	Sec. 105. ANIMAL INDUSTRY	
7	Full-time equated classified positions.....56.0	
8	Animal health and welfare--27.0 FTE positions..... \$	2,358,600
9	Bovine tuberculosis program--29.0 FTE positions.....	<u>3,488,900</u>
10	GROSS APPROPRIATION..... \$	5,847,500
11	Appropriated from:	
12	Federal revenues:	
13	HHS-FDA.....	9,000
14	Special revenue funds:	
15	Licensing and inspection fees.....	201,500
16	Pseudorabies and swine brucellosis fund.....	30,000
17	State general fund/general purpose..... \$	5,607,000
18	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
19	Full-time equated classified positions.....131.3	
20	Pesticide and plant pest management--131.3 FTE	
21	positions..... \$	12,883,300
22	Disease and pest intervention fund.....	201,800
23	Michigan State University.....	210,000
24	Orchard or vineyard removal.....	<u>80,100</u>
25	GROSS APPROPRIATION..... \$	13,375,200
26	Appropriated from:	

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1	Federal revenues:	
2	DAG, multiple grants.....	1,952,200
3	EPA, multiple grants.....	1,510,000
4	HHS-FDA.....	15,400
5	Special revenue funds:	
6	Private - slow-the-spread foundation.....	130,000
7	Commodity inspection fees.....	991,500
8	Licensing and inspection fees.....	2,278,000
9	State general fund/general purpose..... \$	6,498,100
10	Sec. 107. ENVIRONMENTAL STEWARDSHIP	
11	Full-time equated classified positions.....55.0	
12	Environmental stewardship--38.0 FTE positions..... \$	3,271,200
13	Groundwater and freshwater protection program--10.0	
14	FTE positions.....	5,168,200
15	Farmland and open space preservation--7.0 FTE	
16	positions.....	700,000
17	Cooperative resources management initiative program..	1,000,000
18	Energy conservation program.....	138,000
19	Forest stewardship program.....	100,000
20	Local conservation districts.....	2,800,100
21	Migrant labor housing.....	<u>950,100</u>
22	GROSS APPROPRIATION..... \$	14,127,600
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	IDG from MDEQ, biosolids.....	80,000
26	IDG from MDEQ, type II well survey.....	15,000

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1	IDG from MDNR, district forestry and wildlife program	1,000,000
2	IDG from MDEQ, right to farm.....	105,000
3	Federal revenues:	
4	DAG, multiple grants.....	100,000
5	DAG-NRCS.....	250,000
6	EPA, multiple grants.....	400,000
7	Special revenue funds:	
8	Private - oil company overcharge settlement.....	193,900
9	Agricultural preservation fund.....	700,000
10	Groundwater and freshwater protection fund.....	4,668,200
11	Industry support funds.....	40,000
12	State general fund/general purpose..... \$	6,575,500
13	Sec. 108. LABORATORY PROGRAM	
14	Full-time equated classified positions.....136.0	
15	Laboratory analysis program--77.5 FTE positions..... \$	6,150,900
16	Pesticide data program--14.0 FTE positions.....	1,116,900
17	Consumer protection program--44.5 FTE positions.....	<u>3,240,800</u>
18	GROSS APPROPRIATION..... \$	10,508,600
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	IDG from MDCIS (LCC), liquor quality testing fees....	164,000
22	Federal revenues:	
23	DAG, multiple grants.....	1,137,300
24	Special revenue funds:	
25	Private - oil company overcharge settlement.....	798,000
26	Agriculture equine industry development fund.....	509,100

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1	Gasoline inspection and testing fund.....	1,472,100
2	Testing fees.....	200,700
3	Weights and measures regulation fees.....	323,400
4	State general fund/general purpose..... \$	5,904,000
5	Sec. 109. MARKET DEVELOPMENT	
6	Full-time equated classified positions.....22.5	
7	Marketing and emergency management--14.5 FTE	
8	positions..... \$	2,002,500
9	Agriculture development--6.0 FTE positions.....	1,381,300
10	Rural development council--2.0 FTE positions.....	216,100
11	Food bank.....	1,024,300
12	Grown in Michigan.....	100,100
13	Northwest Michigan horticultural research station....	41,900
14	Southwestern Michigan tourist council - taste of	
15	Michigan.....	60,500
16	Future farmers of America.....	<u>60,100</u>
17	GROSS APPROPRIATION..... \$	4,886,800
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG from MDCIS (LCC), nonretail liquor license fees..	457,800
21	Federal revenues:	
22	DAG, multiple grants.....	226,100
23	Special revenue funds:	
24	Industry support funds.....	260,000
25	State general fund/general purpose..... \$	3,942,900

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1	Sec. 110. FAIRS AND EXPOSITIONS		
2	Full-time equated classified positions.....	24.0	
3	Michigan state fair operations--11.0 FTE positions... \$		6,092,200
4	Upper Peninsula state fair--8.0 FTE positions.....		1,390,600
5	Fairs and racing--5.0 FTE positions.....		606,400
6	Building and track improvement - county and state		
7	fairs.....		966,400
8	Premiums-county and state fairs.....		1,708,000
9	Purses and supplements - fairs/licensed tracks.....		2,820,000
10	Standardbred Fedele Fauri futurity.....		93,500
11	Standardbred Michigan futurity.....		93,500
12	Quarterhorse programs.....		45,900
13	Licensed tracks-light horse racing.....		88,900
14	Standardbred breeders' awards.....		1,427,700
15	Standardbred purses and supplements-licensed tracks..		319,900
16	Standardbred sire stakes.....		1,196,200
17	Thoroughbred sire stakes.....		1,196,200
18	Standardbred training and stabling.....		50,600
19	Thoroughbred program.....		2,093,200
20	Thoroughbred owners' awards.....		180,200
21	Distribution of outstanding winning tickets.....		500,000
22	Michigan festivals.....		<u>50,100</u>
23	GROSS APPROPRIATION..... \$		20,919,500
24	Appropriated from:		
25	Special revenue funds:		
26	Agriculture equine industry development fund.....		10,105,800

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1	Michigan state fair revenue.....	6,185,100
2	Upper Peninsula state fair revenue.....	1,214,900
3	State general fund/general purpose..... \$	3,413,700
4	Sec. 111. OFFICE OF RACING COMMISSIONER	
5	Full-time equated classified positions.....39.7	
6	Office of racing commissioner--39.7 FTE positions.... \$	<u>3,880,200</u>
7	GROSS APPROPRIATION..... \$	3,880,200
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from Michigan gaming control board.....	1,300,100
11	Special revenue funds:	
12	Agriculture equine industry development fund.....	2,580,100
13	State general fund/general purpose..... \$	0
14	Sec. 112. BUDGET SAVINGS	
15	Budget savings..... \$	<u>(241,600)</u>
16	GROSS APPROPRIATION..... \$	(241,600)
17	Appropriated from:	
18	State general fund/general purpose.....	(241,600)

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21 PART 2

22 PROVISIONS CONCERNING APPROPRIATIONS

23 **GENERAL SECTIONS**

24 Sec. 201. Pursuant to section 30 of article IX of the state consti-
25 tution of 1963, total state spending from state resources under part 1
26 for fiscal year 2001-2002 is [\$81,904,300.00] and state spending from
state
27 resources to be paid to local units of government for fiscal year

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1 2001-2002 is \$4,600,100.00. The itemized statement below identifies
2 appropriations from which spending to units of local government will
3 occur:

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5	Groundwater and freshwater protection program.....	\$	1,800,000
6	Local conservation districts.....		<u>2,800,100</u>
7	TOTAL.....	\$	4,600,100

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

10 Sec. 203. As used in this act:

11 (a) "DAG" means the United States department of agriculture.

12 (b) "DAG-FS" means the United States department of agriculture -
13 forest service.

14 (c) "DAG-NRCS" means the United States department of agriculture -
15 natural resources conservation service.

16 (d) "Department" means the department of agriculture.

17 (e) "Director" means the director of the department.

18 (f) "EPA" means the United States environmental protection agency.

19 (g) "FTE" means full-time equated.

20 (h) "HHS-FDA" means the United States department of health and
21 human services - food and drug administration.

22 (i) "IDG" means interdepartmental grant.

23 (j) "MDCH" means the Michigan department of community health.

24 (k) "MDCIS (LCC)" means the Michigan department of consumer and
25 industry services - liquor control commission.

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

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1 (m) "MDNR" means the Michigan department of natural resources.

2 Sec. 204. The department of civil service shall bill departments
3 and agencies at the end of the first fiscal quarter for the 1% charge
4 authorized by section 5 of article XI of the state constitution of 1963.
5 Payments shall be made for the total amount of the billing by the end of
6 the second fiscal quarter.

7 Sec. 205. (1) A hiring freeze is imposed on the state classified
8 civil service. State departments and agencies are prohibited from hiring
9 any new full-time state classified civil service employees and prohibited
10 from filling any vacant state classified civil service positions. This
11 hiring freeze does not apply to internal transfers of classified employ-
12 ees from 1 position to another within a department.

13 (2) The state budget director shall grant exceptions to this hiring
14 freeze when the state budget director believes the hiring freeze will
15 result in rendering a state department or agency unable to deliver basic
16 services, cause a loss of revenue to the state, result in the inability
17 of the state to receive federal funds, or would necessitate additional
18 expenditures that exceed any savings from maintaining a vacancy. The
19 state budget director shall report by the thirtieth of each month to the
20 chairpersons of the senate and house of representatives standing commit-
21 tees on appropriations the number of exceptions to the hiring freeze
22 approved during the previous month and the reasons to justify the
23 exception.

24 (3) The hiring freeze does not apply to the animal industry
25 program.

26 Sec. 206. (1) In addition to the funds appropriated in part 1,
27 there is appropriated an amount not to exceed \$5,000,000.00 for federal

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1 contingency funds. These funds are not available for expenditure until
2 they have been transferred to another line item in this act under
3 section 393(2) of the management and budget act, 1984 PA 431,
4 MCL 18.1393.

5 (2) In addition to the funds appropriated in part 1, there is appro-
6 priated an amount not to exceed \$6,000,000.00 for state restricted con-
7 tingency funds. These funds are not available for expenditure until they
8 have been transferred to another line item in this act under
9 section 393(2) of the management and budget act, 1984 PA 431,
10 MCL 18.1393.

11 (3) In addition to the funds appropriated in part 1, there is appro-
12 priated an amount not to exceed \$100,000.00 for local contingency funds.
13 These funds are not available for expenditure until they have been trans-
14 ferred to another line item in this act under section 393(2) of the man-
15 agement and budget act, 1984 PA 431, MCL 18.1393.

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

21 Sec. 207. At least 60 days before beginning any effort to privati-
22 ze, the department shall submit a complete project plan to the appropri-
23 ate senate and house of representatives appropriations subcommittees and
24 the senate and house fiscal agencies. The plan shall include the cri-
25 teria under which the privatization initiative will be evaluated. The
26 evaluation shall be completed and submitted to the appropriate senate and

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1 house of representatives appropriations subcommittees and the senate and
2 house fiscal agencies within 30 months.

3 Sec. 208. Unless otherwise specified, the department shall use the
4 Internet to fulfill the reporting requirements of this act. This may
5 include transmission of reports via electronic mail to the recipients
6 identified for each reporting requirement, or it may include placement of
7 reports on an Internet or Intranet site. Quarterly, the department shall
8 provide to the appropriations subcommittees members, the fiscal agencies,
9 and the state budget office an electronic and paper copy listing of the
10 reports submitted during the most recent 3-month period along with the
11 Internet or Intranet site of each report, if any.

12 Sec. 209. (1) Funds appropriated in part 1 shall not be used for
13 the purchase of foreign goods or services, or both, if competitively
14 priced and of comparable quality American goods or services, or both, are
15 available.

16 (2) Funds appropriated in part 1 shall not be used for the purchase
17 of out-of-state goods or services, or both, if competitively priced and
18 comparable quality Michigan goods or services, or both, are available.

19 Sec. 210. The director of each department receiving appropriations
20 in part 1 shall take all reasonable steps to ensure businesses in
21 deprived and depressed communities compete for and perform contracts to
22 provide services or supplies, or both. Each director shall strongly
23 encourage firms with which the department contracts to subcontract with
24 certified businesses in depressed and deprived communities for services,
25 supplies, or both.

26 Sec. 211. (1) The unexpended and unobligated balance of any state
27 restricted fund or account remaining at the end of the fiscal year shall

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1 revert back to the state restricted fund or account from which
2 appropriated and be available for appropriation for the next fiscal
3 year. Appropriations that revert to a state restricted fund or account
4 pursuant to this section shall not revert to the general fund of this
5 state.

6 (2) A state restricted revenue fund or account that receives reve-
7 nues in excess of expenditures made from that state restricted revenue
8 fund or account shall not have the excess revenue revert to the general
9 fund of this state.

10 (3) The revenues collected in the agriculture equine industry devel-
11 opment fund in fiscal year 2000-2001 shall not lapse but shall be carried
12 forward to fund appropriations made pursuant to this act and subsequent
13 acts.

14 Sec. 212. (1) Of the funds appropriated in part 1, the department
15 may provide for indemnity as provided for pursuant to the animal industry
16 act of 1987, 1988 PA 466, MCL 287.701 to 287.747, not to exceed
17 \$100,000.00 per order from any line item for the fiscal year ending
18 September 30, 2002. Before the department provides for an indemnifica-
19 tion under this section, the department shall report the reason for the
20 indemnification, the amount of the indemnification, and to whom the
21 indemnification is to be paid. The report shall be given to each member
22 of the house and senate appropriations subcommittees on agriculture and
23 to the senate and house fiscal agencies and the state budget director.

24 (2) The department of agriculture shall make an indemnification pay-
25 ment for the fair market value of livestock that is killed by a wolf, if
26 the kill is verified by the department of natural resources. The fair
27 market value of the livestock shall be determined pursuant to the

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1 indemnification procedures prescribed in the animal industry act of 1987,
2 1988 PA 466, MCL 287.701 to 287.747. In addition to the funds appropri-
3 ated in part 1, the department of agriculture is authorized to expend the
4 funds received from the department of natural resources to reimburse the
5 department of agriculture for all indemnification payments made pursuant
6 to this subsection.

7 (3) All indemnification payments for individual livestock or domes-
8 tic animals within a herd, flock, or school shall be made pursuant to
9 section 14 of the animal industry act, 1988 PA 466, MCL 287.714, based on
10 100% of the fair market value of that type of livestock or domestic
11 animal, not to exceed \$4,000.00.

12 (4) For those payments made from January 1, 1998 through October 31,
13 2000, the department shall calculate the difference between what was paid
14 for every herd, flock, or school and the rate paid subsequent to October
15 31, 2000.

16 (5) The department shall use bovine TB work project revenue to
17 implement this section.

18 Sec. 213. When the department applies to the department of manage-
19 ment and budget with a request for a transfer of appropriations or for a
20 supplemental appropriation, the department shall provide the senate and
21 house fiscal agencies with the same information that the department pro-
22 vides the department of management and budget relative to the request for
23 transfer or supplemental.

24 Sec. 214. Of the funds appropriated in part 1 that are other than
25 line-item grants, the department shall not provide grants to local gov-
26 ernment agencies, institutions of higher education, or nonprofit
27 organizations unless the department provides notice of the grant to the

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1 house and senate appropriations subcommittees on agriculture at least 10
2 days before the grant is issued. The grants shall be used to support
3 research or other related activities for the purpose of enhancing the
4 agricultural industries in this state.

5 Sec. 215. The legislature will not fund nonfair or nonhorse racing
6 grants or projects from revenues from simulcasting in fiscal year
7 2002-2003.

8 Sec. 216. The unexpended and unencumbered balance of revenue depos-
9 ited pursuant to section 20 of the horse racing law of 1995, 1995 PA 279,
10 MCL 431.320, for the fiscal year ending September 30, 2002 shall be
11 appropriated to the Michigan agriculture equine industry development fund
12 for distribution as set forth in section 20 of the horse racing law of
13 1995, 1995 PA 279, MCL 431.320.

14 Sec. 217. The departments and state agencies receiving appropria-
15 tions under this act shall receive and retain copies of all reports
16 funded from appropriations in part 1. These departments and state agen-
17 cies shall follow federal and state guidelines for short-term and
18 long-term retention of these reports and records.

19 Sec. 218. The department shall provide a report prepared by the
20 department's internal auditor on the activities of the internal auditor
21 for the prior fiscal year. This report shall include a listing of each
22 audit or investigation performed by the internal auditor pursuant to sec-
23 tions 486(4) and 487 of the management and budget act, 1984 PA 431, MCL
24 18.1486 and 18.1487. The report shall identify the proportion of time
25 spent on each of the statutory responsibilities listed in sections
26 485(4), 486(4), and 487 of the management and budget act, 1984 PA 431,
27 MCL 18.1485, 18.1486, and 18.1487, and the time spent on all other

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1 activities performed in the internal audit function. The first report
2 shall be due March 1, 2000, and biennially thereafter beginning on May 1
3 and shall be submitted to the governor, auditor general, the senate and
4 house appropriations committees, the senate and house fiscal agencies,
5 and the director.

6 Sec. 219. By December 1, 2000, the department shall provide the
7 house and senate appropriations subcommittees on agriculture and the
8 house and senate fiscal agencies a report that outlines programs funded
9 under this act. The report shall provide explanation of the activities
10 and personnel funded with each line item, consistent with the format of
11 this act.

12 Sec. 220. (1) The negative appropriation for budgetary savings in
13 part 1 shall be satisfied by savings from the hiring freeze imposed in
14 section 207 and, if necessary, by other savings identified by the depart-
15 ment director and approved by the state budget director.

16 (2) Appropriation authorizations shall be adjusted after the
17 approval of transfers by the legislature pursuant to section 393(2) of
18 the management and budget act, 1984 PA 431, MCL 18.1393.

19 **EXECUTIVE**

20 Sec. 301. The appropriations in section 102 may be used for per
21 diem payments to members of boards, committees, and commissions for a
22 full day's board, committee, or commission work at which a quorum is
23 present; for attending a hearing as authorized by the respective board,
24 committee, or commission; or for performing official business as

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1 authorized by the respective board, committee, or commission. The per
2 diem payments shall be at a rate as follows:

3	(a) Commission of agriculture.....	\$	75.00 per day
4	(b) Upper Peninsula state fair board.....	\$	50.00 per day
5	(c) Agricultural marketing and bargaining board.....	\$	35.00 per day
6	(d) Michigan state fair council.....	\$	50.00 per day
7	(e) Grape and wine industry council.....	\$	50.00 per day

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

13 (a) Management services publications.

14 (b) Management services audit and licensing functions.

15 (c) Upper Peninsula state fair livestock sales.

16 (d) Pesticide and plant pest management propagation and certifica-
17 tion of virus free foundation stock.

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

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

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

25 (h) Laboratory support analysis of food, livestock, and agricultural
26 products for disease, foreign products for disease, toxic materials,
27 foreign substances, and quality standards.

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1 (i) Laboratory support test samples for other agencies and
2 organizations.

3 (j) Fruit and vegetable inspection at shipping and termination
4 points and processing plants.

5 Sec. 303. Of the funds appropriated in part 1 for statistical
6 reporting service, \$120,000.00 shall be used for surveys which include,
7 but are not limited to, fruit, vegetables, and nursery stock, which
8 encompasses Christmas trees and ornamental plants. The director of the
9 Michigan department of agriculture is given authority to include other
10 agricultural surveys such as turfgrass in the 3- to 5-year rotation. The
11 survey shall include information such as existing plantings/acreage, new
12 plantings/acreage, production, and number of growers.

13 **FOOD AND DAIRY**

14 Sec. 401. (1) The department shall monitor restaurant inspection
15 and licensing functions carried out by local health departments to ensure
16 uniform application and enforcement of minimum program requirements. On
17 or before April 1, 2002, the department shall report to the senate and
18 house appropriations subcommittees on agriculture, the senate and house
19 fiscal agencies, and the state budget director on local health department
20 conformance with minimum program requirements.

21 (2) If a local unit of government incurs additional costs resulting
22 from its efforts to control a significant food-borne outbreak, the direc-
23 tor shall seek additional resources to reimburse the local unit of gov-
24 ernment for these additional costs. The director shall involve the local

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1 health officer of the jurisdiction affected in all aspects of the control
2 of any food-borne outbreak.

3 Sec. 402. Not later than February 1, 2002, the department shall
4 provide a report to the house and senate appropriations subcommittees on
5 agriculture and the house and senate fiscal agencies describing signifi-
6 cant food-borne outbreaks and emergencies including any enforcement
7 actions taken related to food safety during the 2000-2001 fiscal year.

8 Sec. 403. Not later than February 1, 2002, the department shall
9 provide a report to the house and senate appropriations subcommittees on
10 agriculture and the house and senate fiscal agencies on the status of
11 hazard analysis critical control points implementation efforts.

12 Sec. 404. [(1)] From the funds appropriated in section 104, up to
13 \$25,000.00 shall be expended to locate milk vending machines in the con-
14 cessions areas of the Clare welcome center on US-27 near Clare and the
15 US-131 rest area in Montcalm County. The department shall work with the
16 department of transportation in the placement and servicing of these
17 machines.

[(2) Funds appropriated in subsection (1) shall also be
expended to locate milk vending machines in the Chippewa Hills
school district, McBain Rural Agricultural school district, Pine
River area schools, and Cadillac area schools. The department shall
work with administrators at the schools to facilitate the location
of the milk vending machines in their respective school buildings.]

18 ANIMAL INDUSTRY

19 Sec. 450. From the funds appropriated in section 105 for the bovine
20 tuberculosis program, the department of agriculture shall reimburse the
21 department of natural resources for those costs associated with monitor-
22 ing and testing wildlife for bovine tuberculosis that are necessary to
23 support the department of agriculture goals and are jointly agreed to by
24 the department of agriculture and the department of natural resources to
25 be in excess of efforts necessary to effectively plan and execute the

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1 eradication of bovine tuberculosis from Michigan's wild free-ranging deer
2 herd.

3 PESTICIDE AND PLANT PEST MANAGEMENT

4 Sec. 501. Of the funds appropriated in section 106 to the pesticide
5 and plant pest management division, up to \$100,000.00 may be made avail-
6 able to the Michigan cooperative extension service for the purpose of
7 training of applicators. Reimbursement shall be based on actual expendi-
8 tures and revenue availability.

9 Sec. 502. From the appropriation in section 106 for the disease and
10 pest intervention fund program, the department shall utilize these funds
11 as needed to respond to exotic or regulatory pests or diseases.

12 Sec. 503. The department is authorized to enter into a cooperative
13 agreement with a nonprofit foundation or agency associated with the gypsy
14 moth slow-the-spread program in order to receive funds for managing plant
15 pests.

16 Sec. 504. The appropriation in section 106 for orchard or vineyard
17 removal shall be used by the department to assist growers with the
18 removal of abandoned orchards or vineyards in order to mitigate disease
19 and plant pest infestation. Funds shall only be expended by the depart-
20 ment if the following criteria are met:

21 (a) Another landowner, orchard operator, or other impacted person
22 has filed a complaint with the department.

23 (b) The orchard/vineyard has not been managed to effectively control
24 identified pests.

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1 (c) The unmanaged orchard/vineyard poses a risk to neighboring
2 orchards based on distance criteria developed by Michigan State
3 University extension.

4 (d) The department will work cooperatively with Michigan State
5 University extension or a commodity group representative to assure that
6 the removal is necessary and appropriate.

7 (e) A letter is sent by the department to the landowner indicating
8 the problem and the need to properly manage the orchard/vineyard or
9 remove it.

10 (f) The department will work cooperatively with the landowner and
11 may place a lien for the cost of removal against the property.

12 **ENVIRONMENTAL STEWARDSHIP**

13 Sec. 601. The funds appropriated in section 107 for the energy con-
14 servation program shall be distributed on a competitive basis that will
15 be based on statewide energy conservation criteria.

16 Sec. 602. (1) The department may expend the amount appropriated in
17 section 107 for migrant labor housing grants for construction of new
18 migrant labor housing. Beginning October 1, 2001, project grants shall
19 not exceed \$5,000.00 per unit. Beginning October 1, 2001, an applicant
20 is not eligible for more than a \$20,000.00 grant in any fiscal year.
21 Units shall be equivalent in construction to units approved by the
22 DAG-rural development agency for low interest construction loans and
23 shall be not less than 484 square feet in size and be self-contained with
24 a minimum of 1 bedroom, a kitchen, a flush toilet, a lavatory, and
25 bathing facilities.

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1 (2) Any unexpended migrant labor housing funds from the prior year
2 shall be available for grants in the subsequent fiscal year.

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

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

8 (a) Of the total appropriation, \$690,000.00 shall be allocated for
9 district forestry and wildlife programs to assist private land
10 management. Grants to districts will be made in accordance with a plan
11 developed by the department of agriculture in cooperation with the forest
12 management division of the department of natural resources.

13 (b) Of the total appropriation, \$130,000.00 shall be allocated for
14 local conservation district training.

15 (c) Of the total appropriation, each local conservation district
16 meeting the minimum grant requirements shall receive a grant of
17 \$20,000.00 to support basic operations, unless the district resides in a
18 county consisting of multiple districts, in which case a \$20,000.00 grant
19 shall be divided equally among the districts in that county. The amount
20 of money allocated under this subdivision shall not be used by local con-
21 servation districts to replace any money received from local sources.

22 (d) Of the remaining appropriation after distributions under subdi-
23 visions (a) through (c), additional grants, not to exceed \$20,000.00 per
24 local conservation district, may be provided based on a formula approved
25 by the commission of agriculture. Grants under this subdivision shall
26 require at least a 100% cash or in-kind local match. Criteria used to
27 distribute grants under this subdivision shall include, but are not

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1 limited to, the natural resources need, the size, and the population of
2 the area served by each local conservation district.

3 MARKET DEVELOPMENT

4 Sec. 701. Within the appropriations in section 109 for market
5 development, \$448,400.00 is for the grape and wine industry council, from
6 which the department may provide grants for the purposes as described in
7 section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL
8 436.1303.

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

14 [Sec. 703. (1) The \$100,000.00 appropriated in section 109 for
15 the grown in Michigan program is to provide competitive grants to
16 Michigan nonprofit organizations to raise in-state consumer
awareness of Michigan grown commodities.

(2) The grants are to be made by the Michigan commission of
agriculture on a competitive basis considering the following order
of priority:

(a) Cooperative efforts by recognized, statewide, grower-
funded organizations.

(b) The number of consumers made aware of the benefits of
Michigan grown commodities.

(c) The number of Michigan grown products encompassed in the
proposal.

(d) The amount of the match.

(3) A grant made under this section shall not be less than
\$5,000.00 or more than \$25,000.00.

(4) Each grant shall be matched equally with grantees' funds.
In-kind contributions shall not be considered as matching funds.

(5) The Michigan commission of agriculture shall report to the
house and senate appropriations subcommittees on agriculture and the
house and senate fiscal agencies 10 days prior to making a grant
under this section.]

17 Sec. 704. Indirect costs may not be charged against the future
18 farmers of America grant in section 109 by any administering agency.

19 Sec. 705. Of the funds appropriated in section 109 for agriculture
20 development, \$278,200.00 shall be used to coordinate state participation
21 in the federal market access program and to leverage federal funds for
22 the purpose of developing new and enhancing existing export markets for
23 Michigan agricultural products.

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1 Sec. 706. The department shall designate an account executive
2 liaison position to work with the Michigan economic development
3 corporation for the promotion of agriculture in Michigan.

4 Sec. 707. The department is authorized to receive and expend up to
5 \$5,000,000.00 of utility company uncollectible allowance recovery fund
6 resources which may be deposited into the agricultural development fund
7 for the support of grants for value-added agricultural processing and
8 agricultural production ventures in accordance with the Julian-Stille
9 value-added act, 2000 PA 322, MCL 285.301 to 285.304. The agriculture
10 development fund resources when certified as available by the department
11 of treasury shall remain unallotted until such time as the state budget
12 director has reviewed and approved a department submitted allotment
13 schedule. Expenditures for support of agricultural processing and pro-
14 duction ventures shall not exceed revenues received. Unexpended
15 resources remaining in the fund at the end of the fiscal year shall
16 remain in the fund and not lapse to the general fund.

17 Sec. 708. The department shall actively assist the agriculture
18 industry in obtaining federal funding for value-added initiatives,
19 including the suncoast growers cooperative.

20 FAIRS AND EXPOSITIONS

21 Sec. 801. The department shall submit a report each month for the
22 fiscal year ending September 30, 2002 to the state budget director, the
23 senate and house standing committees on appropriations, and the senate
24 and house fiscal agencies that sets forth the simulcasting revenues

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1 generated in the preceding month by each licensed track and the amount
2 received from license fees.

3 Sec. 802. (1) The appropriation of \$319,900.00 in section 110 for
4 standardbred purses and supplements - licensed tracks is intended to pro-
5 vide state purse supplements for 4 races at state licensed pari-mutuel
6 horse racing tracks. The purse supplements are to be used for races com-
7 prised only of Michigan-bred horses segregated into a 4-year-old colt
8 trot division, a 4-year-old filly trot division, a 4-year-old colt pace
9 division, and a 4-year-old filly pace division.

10 (2) The appropriation in section 110 for licensed tracks - light
11 horse racing shall be allocated as follows:

12 Arabian and Appaloosa horse racing.....	\$	22,200
13 Quarter horse racing.....	\$	66,600

14 Sec. 803. Included in the appropriation made in section 110 for the
15 thoroughbred program is \$30,500.00 for the Michigan united thoroughbred
16 breeders and owners association to conduct a thoroughbred yearling show.
17 The Michigan united thoroughbred breeders and owners association shall
18 submit to the department an itemized list of expenses showing that the
19 expenses of the yearling show were paid.

20 Sec. 804. From the funds appropriated in section 110 for thorough-
21 bred owners' awards, the department shall develop a program to provide
22 for thoroughbred owners' awards that will be given to owners of
23 Michigan-bred horses finishing first in nonrestricted races at licensed
24 pari-mutuel tracks in Michigan.

25 Sec. 806. The department shall notify the senate and house appro-
26 priations subcommittees on agriculture and the senate and house fiscal
27 agencies of any planned reductions in appropriations, allocations, or

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1 expenditures from the agriculture equine industry development fund no
2 less than 10 days before such reductions are implemented.

3 Sec. 807. A county fair, district fair, 4-H fair, or state fair
4 receiving funds in section 110 to be used for prizes or awards, in whole
5 or in part, as a condition precedent to the receiving of the funds for
6 those purposes, shall publish the rules relative to the prizes, awards,
7 and deadlines for entries eligible for the funds in their official pre-
8 mium books or lists relative to the prizes or awards. An aggrieved
9 exhibitor may make a written complaint to the fair within 10 days after
10 the fair ends. If the fair has not satisfactorily settled the grievance
11 within 45 days after it is submitted to the fair, the aggrieved person
12 may file the complaint with the department and the department shall
13 investigate the complaint and make a finding of fact regarding the com-
14 plaint and take appropriate action regarding the complaint.

15 Sec. 808. Of the amount appropriated in section 110 for purses and
16 supplements - fairs/licensed tracks, a sufficient amount is appropriated
17 to provide for overnight purse supplements pursuant to the horse racing
18 law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

19 Sec. 809. Of the amount appropriated in section 110 for premiums,
20 \$11,400.00 shall be expended as a grant for the Michigan horse show asso-
21 ciation - fall youth show at the Michigan exposition and fairgrounds.

22 Sec. 810. From the appropriations for premiums - county and state
23 fairs in section 110, \$120,000.00 shall be awarded through a competitive
24 grant program to local, regional, or state fairs or expositions to pro-
25 mote youth involvement and adult exhibitions in the animal agriculture
26 industry. Appropriate exhibition classes for youth shall be developed
27 that encourage a production exhibit for which premium awards may be

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1 paid. The age for youth exhibitors shall be determined by the standards
2 of the association requesting the grant or, if standards do not exist,
3 the age for youth exhibitors shall be ages 9 through 21. Implementation
4 of the latest technologies into the evaluation of the animals shall be
5 encouraged in the production exhibit. Adult exhibitions should focus on
6 the performance or end product, or both, with the appropriate technolo-
7 gies used to enhance placings and the awarding of premiums.

8 Sec. 811. The department, in conjunction with the Michigan economic
9 development corporation, shall perform a thorough cost and programmatic
10 analysis on merging the Michigan festivals with the travel Michigan
11 office. The final analysis shall be provided by January 1, 2002, to the
12 house and senate appropriations subcommittees on agriculture and the
13 house and senate fiscal agencies.

14 Sec. 812. The funds appropriated in section 110 for distribution of
15 outstanding winning tickets are not available for expenditure until they
16 are deposited in the agriculture equine industry development fund pursu-
17 ant to section 2 of 1951 PA 90, MCL 431.252. These funds shall be
18 expended in accordance with section 2 of 1951 PA 90, MCL 431.252, and
19 only after they have been transferred to another line item in this act
20 under section 393(2) of the management and budget act, 1984 PA 431, MCL
21 18.1393.

22 Sec. 813. An individual or other entity that leases land, a build-
23 ing, or other property under the Michigan exposition and fairgrounds act,
24 1978 PA 361, MCL 285.161 to 285.176, is not eligible for a state grant,
25 loan, appropriation, or other state subsidy related to the leased land,
26 building, or other property.

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1 Sec. 815. (1) On or before January 29, 2002, the department,
2 together with the senate and house fiscal agencies and the department of
3 management and budget, shall estimate the unreserved and unencumbered
4 closing balance of the agriculture equine industry development fund for
5 the fiscal year ending September 30, 2001. The estimate shall consider
6 lapsed appropriations from the fund and any carryforward amounts desig-
7 nated for appropriation in the fiscal year ending September 30, 2002.

8 (2) On or before February 5, 2002, the department shall request a
9 legislative transfer in accordance with section 393 of the management and
10 budget act, 1984 PA 431, MCL 18.1393, to appropriate any estimated unre-
11 served and unencumbered agriculture equine industry development fund bal-
12 ance in excess of \$250,000.00. The appropriations included in the trans-
13 fer request shall be in accordance with the requirements of section 20 of
14 the horse racing law of 1995, 1995 PA 279, MCL 431.320. At the same time
15 the department forwards its transfer request to the department of manage-
16 ment and budget, the department shall submit copies of the transfer
17 request to the senate and house appropriations subcommittees on agricul-
18 ture and the senate and house fiscal agencies.

[Sec. 816. From the appropriations in part 1, the department may
implement a competitive horse show grant program.]

19 OFFICE OF RACING COMMISSIONER

20 Sec. 901. The racing commissioner may pay rewards of not more than
21 \$5,800.00 to a person who provides information that results in the arrest
22 and conviction on a felony or misdemeanor charge for a crime that
23 involves the horse racing industry. A reward paid pursuant to this sec-
24 tion shall be paid out of the office of racing commissioner line item.

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1 Sec. 902. The department shall provide a cost analysis of moving
2 the office of racing commissioner into the new state office building that
3 agriculture will be occupying. The analysis shall be completed and sub-
4 mitted to the house and senate appropriations subcommittees on agricul-
5 ture and the house and senate fiscal agencies by January 1, 2002.

6 Sec. 903. Within 2 weeks of the date on which the state officially
7 closes its financial accounts for the last completed fiscal year, the
8 department shall provide a report to the house and senate appropriations
9 subcommittees on agriculture and the house and senate fiscal agencies
10 listing the revenue generated, expenditures charged to, and the fiscal
11 year-end balances for each state restricted fund appropriated in part 1.